

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT

DATE: May 19, 1959

FROM : W. C. Sullivan *WCS*SUBJECT: ~~OF FUNDS AND FOUNDATIONS~~  
INFORMATION CONCERNING  
CENTRAL RESEARCH MATTERREC-30 34, 35, 36, 37, 38  
Limited Classification  
Review Conducted  
See Top Secret  
Form 4-73Tolson \_\_\_\_\_  
Boardman \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Nease \_\_\_\_\_  
Parsons \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tamm \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_*monograph*

Reference is made to the Director's expressed interest in the security aspects of funds and foundations.

DeLoach \_\_\_\_\_  
McGuire \_\_\_\_\_  
W.C. Sullivan \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_History Set Forth

Attached herewith is a blind memorandum setting forth the results of a pilot research study conducted into those funds and foundations having an actual--or potential--influence upon the internal security of the United States and the foreign policies of our Government. It includes a brief history of the development of charitable foundations as they exist today, an analysis of their wealth and influence, and the subversive or questionable causes in which a number of them have invested their tax-exempt funds.

Salient Features

Following are a few of the more interesting and impressive facts drawn from the attached study:

1. Foundations have a tremendous influence on Americans today if only from the sheer number of organizations involved and the colossal accumulations of wealth at their disposal. The Department of Commerce estimates, for example, that there is a minimum of 7, 300 charitable bodies operating in the United States at the present time and, of these, the Ford Foundation alone is estimated to be worth approximately \$2, 500, 000, 000.

Enclosure

JEM:bea/ela

(7)

- 1 - Mr. Belmont
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- 1 - John E. McHale, Jr.
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- 1 - Section tickler
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- 1 - Mr. Mohr
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- 1 - Mr. DeLoach
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- 1 - Mr. Rosen

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CENTRAL RESEARCH

Memorandum to Mr. A. H. Belmont  
Re: Funds and Foundations

2. | It is to be carefully noted that many of the larger ones--and some of the not-so-large ones--capitalize on their trustees serving with the Department of State and other Government bodies to sway foreign policy. The World Peace Foundation, which claims only a "moderate income," can boast on its board of trustees the current Secretary of State, a former Assistant Secretary of State, a former Undersecretary of the Army, and a former member of the policy planning staff of the Department of State.
3. | The Carnegie Endowment for International Peace openly proclaimed in 1934 that it was an "unofficial instrument of international policy," and that its conclusions often "find their way into the policies of governments."
4. | The Rockefeller Foundation is alleged to have been influential in obtaining United States' recognition of Soviet Russia during the 1930s.
5. | Alger Hiss, even after his indictment by a Federal Grand Jury, continued to serve as president of the Carnegie Endowment for International Peace and as a trustee on the World Peace Foundation and the Woodrow Wilson Foundation. ✓
6. | Many of the trustees--like Hiss--have served on the boards of more than one foundation, taking grants out of one pocket and putting them in another. A study of 155 officials of major foundations showed that 131 had served on the boards of two or more of the organizations analyzed. In one large fund, the 20 trustees were found to be holding a total of 113 outside philanthropic positions; in another, 14 were found to be holding 85 different trusteeships.
7. | At least two foundations have devoted the majority of their funds to communist front group causes, with one doling out \$63, 500 to the Civil Rights Congress alone.

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8. The Rockefeller Foundation donated more than \$2,000,000 to the Institute of Pacific Relations between 1929 and 1950, and in 1940, awarded a \$20,000 grant to Hanns Eisler, who had been publicly identified as a German communist "revolutionary," and whom the Immigration authorities were then trying to have expelled from the country.

Observation

Foundations, as a whole, accomplish an untold amount of good in building and furnishing hospitals, increasing teachers' salaries, financing research, combatting juvenile delinquency, and helping the indigent, but, because of the fact that society is the beneficiary of their works, it is essential that they be aware of their responsibility to society and that care is exercised to make certain they do not fall into the wrong hands. If they do, the harm that funds and foundations can do to our national security can be so great as to defy calculation.

RECOMMENDATION:

1. For the information of the Director.
2. That the information in the attached blind memorandum be incorporated into a monograph and be thus disseminated to the field where it can be useful as a reference work in security investigations. If dissemination is approved, certain changes in phraseology and deletions of material, of course, will be required. Among the items to be deleted, for example, are references to the Special Correspondents List and Mr. Herter's affiliation with the Institute of Pacific Relations and the American Russian Institute for Cultural Relations with the Soviet Union.



May 19, 1959

FUNDS AND FOUNDATIONS

ENCLOSURE

62-105767-X

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3. That highly selective outside dissemination of the monograph be given to Vice President Richard M. Nixon and to the Attorney General. (No other dissemination is believed desirable because of the information contained in the study about the Department of State and Secretary of State Herter)

*done*

*Q*

*✓*

*OK.*  
*H.*

Because most European countries discourage large, philanthropic foundations by refusing them tax exemptions and by applying rigid controls, the practice of corporate giving has come to be associated almost entirely with the United States. (1) And yet, traces of the practice can be followed back down through the ages to the almost legendary days of the old Greek and Roman city-states. (2) In fact, there is active in England today The Worshipful Company of Farriers agricultural fund, established nearly 150 years before Columbus set sail for the New World. (3)

### Ancient Opposition

Nor has the history of these foundations been a placid or a peaceful one. As far back as May 6, 1312, Pope Clement V was forced to dissolve the powerful order of the Knights Templar, which had antagonized the secular states by its enormous aggregation of tax-exempt wealth. (4) The Elizabethan Statute of Charitable Uses of 1601 was an acknowledgement of the importance of private endowments and offered them encouragement and protection following the depletions of the bloody struggles during the 16th Century. By 1853, however, the pendulum had begun to swing back the other way, and charity abuses led to the creation of a permanent administrative board to govern the distribution of largess. (5)

### Diversity of Interests

American funds range in size from the Wilmington Foundation, which at last report had an annual budget of \$1.51, to the ~~Ford~~ <sup>DeLmont</sup> Foundation, which in 1956 alone donated more than half a billion dollars to various colleges, universities, hospitals, and related institutions throughout the country. (6) The subject matter also encompasses the whole spectrum, ranging from the Green Foundation in England, which provides green waistcoats for ladies named Green, to the Woodrow Wilson Foundation, which seeks to achieve international peace by the application of Wilson's 14 principles of peace. (7)

### Growth of Foundations

The first major endowment in the United States was established by Benjamin Franklin in 1790 when he left a thousand pounds each to the cities of Boston and Philadelphia with the specification that the money was to be lent out--at interest--to married apprentices of "upright behavior." (8) Since that time, the number of foundations has gradually gained momentum, until there were 75 by 1920, and over 4, 100 at the present time. These are the ones actually registered by name with the United States Government as tax-exempt, philanthropic bodies. The United States Department of Commerce estimates that the actual total

is closer to 7,300. (9) The rapid rate of growth in recent years may be noted by Maryland, which had only two in 1946 and 149 by 1955, or the State of New York, which grew from 236 to 1,238 during the same period. (10)

### Funds Defined

A charitable organization, by name, may be a foundation, fund, corporation, institution, endowment, association, trust, union, commission, or any one of a number of other designations. By definition, according to the Department of Commerce, it must be a "non-profit legal entity having a principal fund of its own, or receiving charitable contributions of a living founder or founders, which is governed by its own trustees or directors, and which has been established to serve the welfare of mankind." Excluded from this definition are endowed religious and educational institutions, those which solicit endowment or operating funds, and those which conduct a clinical or other local program of benefit solely to a single institution or group. (11)

### Types of Foundations

Generally speaking, funds and foundations may be broken down into six main classifications or categories:

1. The general research foundation (such as the Ford Foundation, the ~~Rockefeller Foundation~~, and the like) U.S.A.
2. The special purpose foundation (such as the Emma A. Robinson Horses' Christmas Dinner Trust Fund, and the Henry G. Freeman, Jr., Pin Money Fund to provide annuities to the wives of former United States Presidents)
3. The family or personal foundation (such as the ~~Rockefeller Brothers Fund~~) U.S.A.
4. The corporation foundation (such as the Bulova Watch Company Foundation)
5. The community trust (such as the Cleveland Foundation and the New York Community Trust)
6. The Government foundation (such as the National Science Foundation) (12)

## Ford Tax Dodge

A typical example of how--or why--a charitable fund may come into being is furnished by the Ford Foundation. Until the Revenue Act of 1950 put a stop to internal book juggling, one of the most effective means of escaping Federal taxes had been the process of reorganizing a business as a foundation. Under this set-up, the profits went to the foundation, but since they were tax free, this hurt neither the company's competitive position nor the salaries of its executives. As one expert on trusts and funds put it, the "Ford Foundation itself is a product of the tax laws." If Henry and Edsel Ford had left their Ford stock to Edsel's children instead of to the Ford Foundation, the heirs would have had to sell most of the stock they had inherited merely to pay off the hundreds of millions of dollars that would have fallen due under the estate taxes. By transferring 90 per cent of the stock--all nonvoting--to the foundation, however, the Fords found a way to have their cake and eat it too. They retained voting control of the company while having the satisfaction of knowing that the money had remained in friendly hands. (13)

## Public Relations and Advertising

Since (except for a brief period during the Civil War) personal income taxes were not levied in this country until 1913 and charitable contributions were not allowed as deductions until 1917, this certainly is not the only answer to the establishment of the giant money trusts of the 20th Century. The Rockefeller Foundation, for instance, was established in 1913, and the Carnegie Endowment for International Peace in 1910. (14) But the burgeoning science of public relations would appear to offer the primary answer. That and possibly the guilty consciences of the so-called "Robber Barons" of the late 19th Century. It would appear, in all likelihood, that the fabulous charities of John D. Rockefeller during the present century were an attempt to offset the feelings prevalent in the days when he had been hanged and burned in effigy at Titusville, Pennsylvania, the site of the first oil well in the United States. (15) There is also the value of goodwill advertising, although as one expert pointed out, this can boomerang dangerously, as when the "newspaper revelations of the antics of the ~~Fund for the~~ U.S.A. Republic" caused Ford sales to plummet across the nation. (16) Foreign grants can also be used to further international business aims, as will be seen later in the case of the oil-minded Rockefellers. Other motives for establishing charitable trusts may be religious, convictions, a sense of altruism, or merely a desire for personal aggrandizement or social recognition.



## Dangers of Foundations

Whatever the reason for their inception, however, funds and foundations have become an integral part of the American scene. Their influence upon foreign policy, education, science, and social problems is a far-sweeping one. In addition to the money and names behind the organizations themselves, they also have the prestige and guidance of a number of men renowned for their accomplishments in the above-mentioned fields. When misused, or abused, these very assets work to the detriment of the foundations, their beneficiaries, and the country at large. Money is used to influence research projects in desired directions at universities. Grants have been awarded for various "screwball" undertakings or for irresponsible studies on such delicate matters as civil rights and private freedom by persons of questionable background. The names of reputable corporations or famous institutions have been lent to unsavory causes, thereby lending an air of respectability to these causes. Slanted reports have been issued on matters of vital interest, thereby affecting the decisions of certain Government officials and school officials in the performance of their duties. And overseas posts have been used by foundation officials to sway foreign policy of the United States regarding the countries concerned, or to sway the actions of the foreign countries regarding the United States.

## Areas of Operation

To understand the scope of influence of the major funds and foundations in the United States today, a total of 304 were analyzed as to their fields of interest. Naturally there was some overlapping and duplication--particularly in the realms of religion, science, and education--but taken for their primary concerns, the various foundations were summed up as follows:

Education . . . . .	105
Charitable Works . . . . .	61
Medical Works and Studies . . . . .	52
Science and Engineering . . . . .	23
Aid to Youth . . . . .	11
Religion . . . . .	10
International Affairs . . . . .	9

Social Sciences. . . . .	8
Economics . . . . .	8
Art Studies and Projects. . . . .	8
Special Nationality Groups. . . . .	5
Civil Liberties and Race Matters	4(17)

### The "Big Six"

Scarcely anyone familiar with the picture can deny that money giving is big business. Of the more than 4, 100 foundations known to the Department of Commerce, their aggregate wealth has been estimated as falling between seven and nine and one-half billion dollars. (18) In 1953, between one third and one half of this wealth (\$3, 000, 000, 000) was consolidated in the hands of only 77 organizations. And of this total, \$1, 269, 500, 000 was in the hands of the "Big Six": Ford, Rockefeller, Carnegie, W. K. Kellogg, Duke, and Pew. (19) (It is interesting to note that although the Reece Committee--the Special House Committee To Investigate Tax-Exempt Foundations and Comparable Organizations, 1954--was unable to criticize the operations of the last three, the same could not be said for the Ford, Rockefeller, and Carnegie foundations. (20))

### Influence on Education

*Endowment Fund Durham, North Carolina*

The influence foundations can have on American education was made clear recently in a report by the American Alumni Council on contributions made to leading universities. According to the council's 1959 study, 610 of the country's major private universities receive only one fourth of their contributions in the form of alumni gifts. The other three quarters comes from nonalumni individuals, the Federal Government, and private foundations. (21) Regarding this situation, the Reece Committee reported that "Scholars and fund raisers both soon learn to study the predilections, preferences and aversions of foundations' executives, and benefit from such knowledge by presenting projects likely to please them." (22) That school officials cannot place themselves in a position to bite such a prodigal hand is evidenced by the fact that in 1956 alone the Ford Foundation doled out \$210, 000, 000 to American colleges and universities, plus another \$90, 000, 000 to various medical schools. (23)

### Advisory Council

As if this stranglehold on the training ground of youth were not enough, a council to finance higher education was created by officials of the Ford, Rockefeller, Carnegie, and Alfred P. Sloan foundations, each of which contributes \$60,000 annually to its upkeep. The money, strangely enough, goes not to direct support of higher education, but to pay a staff which advises corporations on how to spend their money, and colleges and universities on how to get it. (24)

### Gellhorn Award

A flagrant example of the awarding of a delicate study to a person of questionable background occurred in 1948, when the Rockefeller Foundation granted \$110,000 to Cornell University for a study of the Government's Loyalty Program, with Professor Walter F. Gellhorn, of Columbia University, in charge. Bureau files reveal that Gellhorn was identified on November 1, 1952, as a former Communist Party\* member by Louis F. Budenz, former managing editor of the Daily Worker.\* Gellhorn publicly denied this allegation a month later, but was unable to refute a newspaper article which, in 1937, identified him as temporary First Vice President of the National Lawyers Guild\*. He also ignored a speech before the House of Representatives by Representative Martin Dies (Democrat, Texas) on February 2, 1943, which named him as one of a group of Government employees "affiliated with communism." Despite the adverse publicity brought on by disclosures of Gellhorn's past, the Rockefeller Foundation made an additional grant of \$20,000 to his project in 1950, and the Fund for the Republic awarded him a fellowship for research in 1955. (25)

### Sex Studies Financed

No better instance of a reputable name being lent to enhance an unsavory cause can be found than that offered by the Rockefeller Foundation's support of the Kinsey sex studies. Between 1941 and 1949, the foundation poured approximately \$414,000 into the controversial researches of Dr. Alfred Kinsey and his intrepid band of assistants. (26) As a result of these subsidized studies, Dr. Kinsey's book, Sexual Behavior in the Human Female, was able to stun the American public with some highly startling "revelations." A few of these include the theories that: (1) sexual relations between preadolescent children and adults (rape not being excluded) may have "contributed favorably to

\*See Appendix for Citation.

their (the children's) later socio-sexual development" (27); (2) "...pre-marital socio-sexual experience:..should contribute to this development of emotional capacities. In this, as in other areas, learning at an early age may be more effective than learning at any later age after marriage" (28); and (3) premarital sexual experience "provides an opportunity for the female to adjust emotionally to various types of males....we have seen many hundreds of marriages ruined by the failure of the partners to learn before marriage that they could not adjust emotionally or sexually to each other." (29)

### Proxy Reputation

So contrary to accepted codes of morality and behavior were these theories and observations, that an article in Harper's Magazine exclaimed "they would be unbelievable but for the impressive weight of scientific agencies backing the survey." (30) Among the agencies so listed by the writer of the article were the Rockefeller Foundation's Medical Science Division and the University of Indiana.

### "Unofficial" State Department

If anyone maintains that the money and influence behind some of the major foundations dealing in foreign relations could not affect the decisions of certain government officials in the performance of their duties, then he is not facing facts. As far back as a quarter of a century ago, the Carnegie Endowment for International Peace was U.S.A. boasting that it had become "an unofficial instrument of international policy, taking up here and there the ends and threads of international problems and questions which the governments find it difficult to handle, and through private initiative reaching conclusions which are not of a formal nature but which unofficially find their way into the policies of governments." (31) Nor was this boast an empty or meaningless one. An individual who has made a study of the activities of the Rockefeller Foundation, for instance, has credited it with exerting the pressure that led to the recognition of Soviet Russia by the United States during the 1930s. His reason for the pressure? Standard Oil's desire to negotiate oil contracts with the Soviet leaders. (32) As will be brought out later, under the individual organizations, wholesale lots of officials or trustees of various foundations have been--or are--employed by the United States Department of State.

## Studies of the Federal Government

Other attempts to influence Government officials, either directly or indirectly, can be discerned in two recent research projects of note. The University of Illinois, under a \$242,000 grant from the Ford Foundation, is currently making a four-year study of the correctional programs of the Federal Government. (33) Similarly, the University of Chicago and Cornell University, under a \$130,000 grant from the Carnegie Corporation, are making a combined study of Federal executives to determine how opportunities in the Federal service compare with those in private industry. (34) U.S.A.

## Control Funnel

One of the real dangers stemming from funds and foundations is their proclivity toward interlocking trusteeships. A study into this matter revealed that of 155 officials of major foundations in the United States, 131 were trustees in two or more of the foundations analyzed. (35) Still another study on the same subject matter noted that one large foundation had 20 trustees who held a total of 113 trusteeships with other charitable organizations, and another had 14 trustees holding 85 outside philanthropic positions. (36) From this, it would appear that one of two evils is taking place: either the trustees are concentrating the controls of a large number of tax-exempt, power-laden organizations in the hands of a small number of men, or else they have so many overlapping, time-consuming jobs to contend with that they are unable to give proper guidance to the organizations entrusted to them and hence are allowing small groups of unsupervised "professional administrators" to take over the controls from them. In either event, the danger is approximately the same, and in practice, it would appear that a combination of the two situations is gradually evolving. The trustees--often holding two or three outside posts while attached to some position of importance with the Government--take money out of one pocket and put it into another, by making grants from one foundation to another. The professional administrators, on the other hand, overlook the trustees' dealings in these matters in exchange for a free hand in operating more or less as they want. (37)

## For Better or Worse

In trying to determine whether these all-pervasive bodies use their power for good or evil, it becomes obvious from the very beginning that not all of them act, or react, in the same manner.

There are those organizations at the far left of the scale which have been founded, nurtured, and designed to promote causes inimical to the best interests of the internal security of the United States. There are those organizations which were once dedicated to unsavory or questionable causes, but which have since lost their original sponsors, and are no longer dedicated to the earlier causes. There are those other organizations which, while having no particularly subversive background, can be used by "do-gooding" or communist-minded administrators to lend the prestige of their names and their enormous accumulations of wealth to subversive causes. And finally, there are those organizations which are dedicated to the principles of the American way of life and which have been used by their officials to help the Government and the country as a whole.

#### Donations to Communist Causes

U.S.A. Typical examples of the first category are the Robert Marshall Foundation and the American People's Fund, Incorporated. The principal administrator of the Robert Marshall Foundation is George Marshall who was reportedly a member of the Communist Party\* from 1931 until approximately 1951. The foundation itself has been described as "one of the principal sources of funds with which Communist fronts were financed in the years between 1940 and 1953."<sup>(38)</sup> Among those organizations which received money from the Robert Marshall Foundation between 1939 and 1949 are the following:

American Youth for Democracy*.....	\$ 6,000
California Labor School*.....	6,500
Civil Rights Congress*.....	63,500
Council for Pan-American Democracy*.....	8,000
Labor Research Association, Incorporated*.....	3,500
National Negro Congress* .....	78,530 <sup>(39)</sup>

#### Party Fund

U.S.A. On November 1, 1952, Louis F. Budenz, former managing editor of the Daily Worker, \* advised that the American People's Fund, Incorporated, was specifically organized as a communist fund for the purpose of giving aid to certain causes in which the Communist Party was interested and for the purpose of advancing the Party's program.<sup>(40)</sup>

\*See Appendix for Citation.

### Out of the "Red"

A good example of the group which appears to have reversed <sup>CALIF</sup> directions since earlier days is the Rosenberg Foundation, of San Francisco, California. Established in 1936 as a nonprofit, tax-exempt organization, it operates generally in the fields of community health, education, and welfare. From 1936 to 1951, Louise Rosenberg Bransten, a niece of the founder, served on the board of directors and was instrumental in seeing to it that at least \$20,000 was distributed to the California Labor School\* and the American Russian Institute of San Francisco.\* Bransten reportedly joined the Communist Party\* in 1936 and in 1948 was serving on the board of directors of the American Russian Institute of San Francisco. There is no indication, however, that Bransten has had anything to do with the Rosenberg Foundation since 1951, and in 1955 it was described as a presently "well-intentioned philanthropic body." (41)

### The "Big Three"

In any discussion of those organizations which can be used by trustees or administrators to lend the prestige of their names and their enormous accumulation of wealth to subversive causes, the spotlight must immediately be focused on the "Big Three": Ford, Carnegie, and Rockefeller.

### \$2,000,000 to Institute

It has been mentioned above that the Rockefeller Foundation was reportedly instrumental in influencing American recognition of the Soviet Union during the 1930's. Part and parcel of the same operation, and possibly just as little known by the general public, is the fact that the foundation all but established and maintained the notorious Institute of Pacific Relations\* from 1929 to 1950. During that time it granted the Institute more than \$2,000,000, including \$55,000 in 1929; \$283,499 in 1930; and \$110,000 in 1950. (42) <sup>U.S.A.</sup>

### Eisler Grant

<sup>U.S.A.</sup> Possibly one of the most controversial battles the Rockefeller Foundation has gotten into, however, involved a 1940 grant of \$20,160 to Hanns Eisler, brother of the prominent Soviet agent, Gerhart Eisler, for <sup>U.S.A.</sup> a two-year study of music in film productions. Despite the fact that the Daily Worker,\* in 1935, described Hanns Eisler as a leader in the "spreading of revolutionary music among the German workers" before his migration to the United States; that Pravda, the official Soviet paper, referred to him as a member of the "proletariat 'agitpropgroup' (agitation-propaganda group)" in 1927, as well as one who had been successful in forming a "communist wing"; and that the United States Immigration and Naturalization Service was even then attempting to deport Eisler, the Rockefeller Foundation, in February, 1940, awarded him a \$20,000 research grant. Less than six months later there was a warrant out for Eisler's arrest, charging him with violating the immigration laws of the United States. (43)

\*See Appendix for Citation

## Rockefeller Head Termed "Dupe"

Dean Rusk, president of the Rockefeller Foundation since 1952, has admitted that he was formerly a member of the Institute of Pacific Relations\*. (44) He was also Special Assistant, Secretary of War from 1946 to 1947; director of the Office of United Nations Affairs, United States Department of State from 1947 to 1949; Assistant Secretary of State and Deputy Under Secretary of State from 1949 to 1951. (45) Freda Utley, former research worker in the Institute of World Economy and Politics at Moscow, had the following to say regarding Rusk in her book, The China Story: "Dean Rusk has proved that he must be classified among the dupes of the Chinese Communists. For on June 14, 1950, he told the World Affairs Council Conference of the University of Pennsylvania that the Chinese 'Revolution' is 'not Russian in essence' and 'does not aim at dictatorship.' " Here is a former high official of the State Department and president of the second largest foundation in the country on record, and as Utley says, not even "Mao Tse-tung nor Stalin... ventured to give such a clean bill of health to the Chinese Communists...." (46)

## Fund for the Republic

The Ford Foundation is famous for two things: its fantastic size, and the fact that in October, 1951, it established the infamous Fund for the Republic, which has been a thorn in the flesh of American internal security ever since. (47) There is no point in going into the Fund for the Republic in detail again at this time, inasmuch as it was the subject of a 180-page monograph in 1955, but the size of the Ford Foundation would be well worth a quick glance in order to evaluate its influence on the country at large.

## Ford Dwarfs Competitors

In the first place, it is extremely difficult to arrive at the exact worth of an organization as large and as complex as the Ford Foundation. D.C. Rene A. Wormser, general counsel to the Reece Committee during 1953 and 1954, estimated its value as being approximately \$520,000,000 in 1953, or more than twice the size of the next two largest foundations (the Rockefeller Foundation and the Carnegie Corporation) combined. (48) N3H Dwight Macdonald, in his book, The Ford Foundation, states, however, that the true worth of the organization must be based on the market value of the 90 per cent of the Ford Motor Company stock that it owns, which would have amounted to approximately \$2,500,000,000 in 1955. A partial corroboration of this estimate can be noted in the fact that Ford Foundation grants for 1956 alone totaled more than \$500,000,000. (49)

\*See Appendix for Citation



### One Fourth of Total

Obviously, no other foundation in the country can come even close to this type of spending. Its grants of \$68, 000, 000 in 1954, for instance, were more than four times what the Rockefeller Foundation averages in a given year and more than 10 times what the Carnegie Corporation averages a year. In fact, its 1954 expenditures amounted to one fourth of all the money donated by all the charitable foundations in the United States combined. (50)

### Ford Interests

An analysis of Ford Foundation grants and donations between the years 1951 and 1954 reveals the following breakdown:

\$89, 000, 000 . . . . .	education
54, 000, 000 . . . . .	development of international programs
15, 000, 000 . . . . .	establishment of the Fund for the Republic to conduct a study of "civil liberties"
10, 000, 000 . . . . .	economic development and administration
10, 000, 000 . . . . .	miscellaneous projects in, and around, the Detroit, Michigan, area
8, 000, 000 . . . . .	projects in sociology, psychology, economics, political science and related fields (51)

### International Goals

At various times in the past, the Ford Foundation has undertaken the study of the problems of encouraging the growth of an environment which fosters individual freedom, of building a world foundation for permanent peace, of establishing a world order of law and justice, of securing greater allegiance to the basic principles of freedom and democracy, and of advancing the economic well-being of people everywhere. (52) Its international programs include: (1) the financing of refugee work; (2) the encouraging and financing of the study of foreign nations by American scholars and laymen; and (3) the aiding of "overseas development," which means the donation of money to local institutions abroad and the introduction of American technology and know-how to backward countries. (53)

## Potential Threat

Fortunately for the people of the United States, the Ford Foundation has not consciously engaged in, or sponsored, to date, any activities of a subversive nature; that is, if one overlooks the establishment of the Fund for the Republic--which even the foundation officials later came to accept as a mistake--and the hiring of former Communist Party General Secretary Earl Browder as an "expert" on communism. (54) If all this wealth and power should ever be turned against the country that has made them possible, however, a most serious development would have occurred, and no less than a genuine prophet could speculate as to the consequences of such an event.

## Carnegie Hires Hiss

Number Three, money-wise, in the ranking of major foundations, is the Carnegie Corporation. One of its primary offshoots is the Carnegie Endowment for International Peace, founded back in 1910. Unlike the Rockefeller Foundation, the Carnegie Endowment is not reported to have been influential in the recognition of Soviet Russia or to have flaunted the security interests of the country by granting a \$20,000 award to a known subversive. Unlike the Ford Foundation, it has neither established a Fund for the Republic nor paid Earl Browder as an "expert" in communism. But it did have Alger Hiss as a U.S.A. president from December, 1946, to May, 1949. (55) And it did have as a trustee from 1937 until at least 1948, one Philip Caryl Jessup. (56)

## From Libel to Espionage

In August, 1948, Whittaker Chambers, a confessed Soviet espionage agent, appeared before the House Committee on Un-American Activities (HCUA) and charged Alger Hiss with membership in an underground group of the Communist Party. Hiss denied the charges under oath before the HCUA and challenged Chambers to repeat them where they would not be privileged against suit for libel. Chambers repeated his charges on a radio program August 27, 1948, and a month later Hiss filed a civil suit for libel. During a pretrial hearing on the libel suit, Chambers produced documents, consisting of summaries and/or excerpts from State Department papers, to support a new charge against Hiss--espionage. On December 2, 1948, Chambers delivered to investigators of the HCUA the now-famous "pumpkin papers." On the basis of this additional disclosure, Chambers and Hiss were summoned before a Federal Grand Jury in New York. On December 15, 1948, the Grand Jury indicted Hiss on two counts of perjury. Hiss was tried twice. The first trial ended with a hung jury and the second, with his conviction

on January 21, 1950. He was sentenced to five years. His conviction was affirmed and the Supreme Court denied certiorari. On November 27, 1954, he was released from prison. (57)

#### Foundations Stand Firm

It is interesting to note that just as a number of prominent Americans "were reluctant to turn their backs" on Hiss, so too was the Carnegie Endowment. Even after the "pumpkin papers" had been retrieved and a Grand Jury indictment returned against Hiss, the Endowment officials refused to discharge him from his \$20,000-a-year post. When Hiss finally offered to resign, under considerable adverse publicity, he was granted a leave of absence to extend to the end of his appointment in 1949. Although it did not receive the same newspaper coverage, it is also interesting to note that during the same period Hiss continued to serve unchallenged as a trustee on both the World Peace Foundation and the Woodrow Wilson Foundation. (58) *USA*

#### Jessup with Same Groups

Like Hiss, Jessup held a number of positions of importance with the Department of State. In 1943, he was chairman of the Office of Foreign Relief; in 1948, Deputy United States Representative on the United Nations Security Council; and from 1949 to 1953, Ambassador at Large. Also, like Hiss, in addition to acting as a trustee for the Carnegie Endowment, Jessup served in a similar capacity with both the World Peace Foundation and the Woodrow Wilson Foundation. (59)

#### "Useful" to Russians

Bureau files reveal that Jessup was interviewed by FBI Agents in April, 1950, and admitted having sponsored two American Russian Institute for Cultural Relations with the Soviet Union\* dinners in 1944 and 1946. He also admitted having served as a trustee of the American Institute for Pacific Relations\* from 1933 to 1945, as chairman from 1939 to 1940, and as chairman of the Pacific council from 1938 to 1939, and from 1940 to 1942. (60) Bureau files also reveal that during 1939 and 1940, Jessup's name appeared on the letterhead of the National Emergency Conference on Democratic Rights\* as a member of the Board of Sponsors. (61) During Alger Hiss' second trial, Jessup testified as a character witness, stating that he had had close, friendly

\*See Appendix for Citation.

social contacts with Hiss since the San Francisco United Nations conference in 1945. It is interesting to note that during the loyalty-type investigation conducted on Jessup by the FBI, Joseph Esrey/Johnson, a former State Department official and later to be Hiss' successor as president of the Carnegie Endowment, advised that it was during this conference that he had first met Jessup. Like Hiss and Jessup, Johnson also served as a trustee of the World Peace Foundation (and will be discussed later at some length under the section on that organization). On June 2, 1945, Professor S. B. Krylov, Soviet delegate to the San Francisco conference, remarked to a fellow Soviet official that Jessup "is a very important person and is very useful to us."<sup>(62)</sup>

### College Clubs

The Carnegie Endowment for International Peace had a \$10,000,000 endowment as of 1950, and was sponsoring international relations clubs in approximately 850 colleges and universities.<sup>(63)</sup> Although Bureau files fail to reveal any subversive projects sponsored by the Endowment to date, if it should ever be swayed in that direction by men of the likes of Hiss, Jessup, Johnson, et al, it would be in a position to do a tremendous disservice to both American education in particular and the whole United States in general.

### Influence of Smaller Organizations

Not all philanthropic bodies are the towering monstrosities of Ford, Rockefeller, and Carnegie, rolling in a mass of accumulated wealth that they are hard-pressed to give away. It is easy to visualize the impact on American thinking of the larger foundations and their affiliates. But what of the smaller ones? Just how influential are they, and just how much damage could they do to international relations if they happened to get into the wrong hands? In an attempt to answer these questions, the World Peace Foundation, of Boston, Massachusetts, was singled out as having the requisite characteristics to serve as a pilot study for the others in its general category, on both the good and bad sides of the ledger. It is an excellent example of just how important some of these smaller groups can become.

### Peace Promotion

The World Peace Foundation was incorporated under Massachusetts' laws in 1910 as a nonprofit organization without capital stock. It was originally listed as the International School of Peace, and was founded by Edward Ginn, a well-known publisher in Boston, for the purpose of forwarding the cause of world peace. This purpose has been accomplished principally by means of its publications and the maintenance of a reference service which furnishes, by request, information on current international problems. It also promotes a study-group program which brings together experts on American foreign relations, world economics, and political problems.<sup>(64)</sup>

Board of Trustees

An organization is, however, only a collection of human beings, and any attempt to determine the aims and motives of a given organization must take into account the aims and motives of that body's leaders. Accordingly, a list was made of the following trustees from the 1955 letterhead stationery of the World Peace Foundation:

Dr.  
Frank Aydelotte deceased Pa. New Jersey  
James Phinney Baxter III  
Harvey Hollister Bundy  
Christian Archibald Herter  
Bruce Campbell Hopper  
Manley Ottmer Hudson  
Joseph Esrey Johnson  
Donald Cope McKay  
Tracy Stebbins Voorhees (65)  
Arnold Oscar Wolfers

Communist Membership "No Bar"

Dr. Aydelotte, who died on December 17, 1956, had been a trustee of the World Peace Foundation since 1927. He also, during his lifetime, served as president of Swarthmore College, Swarthmore, Pennsylvania, from 1921 to 1940; chairman of the Committee on Scientific Personnel, Office of Scientific Research and Development, in 1942; member of the Anglo-American Committee of Inquiry on Palestine, 1945 to 1946; director of the Institute for Advanced Study, Princeton, New Jersey, from 1939 to 1947; and chairman of the Educational Advisory Board, John Simon Guggenheim Memorial Foundation, from 1925 to 1950. (66) On January 28, 1943, Dr. Aydelotte testified before the Interdepartmental Visa Review Committee in behalf of an applicant for an immigration visa. During this testimony, he was specifically asked if the Institute for Advanced Study would refuse a professorship to an individual known to be a member of the Communist Party. Aydelotte stated that he would decline to answer the question specifically, but added that personally he did not consider such membership to be a bar. He said that the intellectual attainments of a given candidate were the matter of interest to the board of trustees. (67)

Pulitzer Winner

D, C,  
James Phinney Baxter III, in addition to acting as a trustee for the World Peace Foundation, has served as president of Williams College, Williamstown, Massachusetts, since 1937. His positions with the Government include those of lecturer, Naval War College, 1932 to the present; director of research and analysis, Coordinator of Information, 1941 to 1942; deputy director, Office of Strategic Services, 1942 to 1943; and historian, Office of Scientific Research and Development, 1943 to 1946. In 1947, he won the Pulitzer prize for history, with his work entitled Scientists Against Time.<sup>(68)</sup>

Opposed to Loyalty Oaths

The Office of Strategic Services (OSS) personnel file for one Maurice Halperin contained a letter from Baxter dated October 1, 1941, recommending the appointment of Halperin to OSS. In public testimony before the House Committee on Un-American Activities on July 31, 1948, Elizabeth Terrell Bentley, a self-described espionage courier, identified Halperin as a Communist Party member and as a person who had furnished her with espionage information during the period she was active.<sup>(69)</sup> The Daily People's World\* on March 23, 1951, carried an article entitled "College President Scores Loyalty Oath." In it, Baxter was quoted as saying that "Insistence on loyalty oaths for teachers had decreased morale remarkably and made it hard to recruit new professors at the University of California." <sup>(70)</sup>

Reference for Hiss

D, C,  
Harvey Hollister Bundy was Assistant Secretary of State from 1931 to 1933, and Special Assistant to the Secretary of War from 1941 to 1945. He has also served as a trustee of the World Peace Foundation since at least 1941 and as chairman of the Board of the Carnegie Endowment for International Peace since 1953.<sup>(71)</sup> In the meantime, his private life and professional career have been tied in quite closely with those of Alger Hiss. Both served as secretary to Supreme Court Justice Oliver Wendell Holmes (Bundy from 1914 to 1915; Hiss from 1929 to 1930); both worked for the law firm of Choate, Hall, and Stewart in Boston, Massachusetts, from 1930 to 1932 (of which firm Bundy is now a partner); both have been associated with the Department of State (in fact, Hiss gave Bundy as a reference when he first applied for a position there); and both have been associated with the World Peace Foundation and the Carnegie Endowment for International Peace.<sup>(72)</sup> They have also been associated in that Bundy's son, William Putnam Bundy, contributed \$400 to the defense of Alger Hiss when the latter was on trial for perjury.<sup>(73)</sup> Bureau files reveal that Harvey Bundy was a member of the American Council of the Institute of Pacific Relations\* from 1937 to 1939.<sup>(74)</sup>

\*See Appendix for Citation.

Secretary of State

D.C.  
Christian Archibald Herter is the recently appointed Secretary of State. He has also been a trustee of the World Peace Foundation since at least 1941. (75) Bureau files reveal that in approximately 1934 or 1935, Herter's name appeared on a pamphlet of the American Russian Institute for Cultural Relations with the Soviet Union\* as being a member of the advisory committee for that organization. (76) In 1938, his name appeared on a membership list of the Institute of Pacific Relations\*. (77)

Defends Owen Lattimore

D.C. U.S.S.R. MOSS,  
Bruce Campbell Hopper is a lecturer at the Naval War College, the Army War College, and the Armed Forces Staff College, and member of the Educational Exchange Program for the Department of State. From 1926 to 1929, he was an observer for the Institute of Current World Affairs in the Soviet Union; from 1945 to 1947, he was a consultant to the commanding general of the Air Force; in 1956, he served as a lecturer at the Institute of Aeronautical Sciences; and, at an unspecified date, he served as a member of the Air Force Academy Site Selection Board for the Air Force Historical Foundation. (78) The Daily Worker\* for January 5, 1937, carried an article stating that Hopper had recently delivered a speech on the Soviet Union at the American Russian Institute. \*(79) The records of the House Committee on Un-American Activities reveal that one Bruce Hopper had written an article entitled "Seeds of Tomorrow in Taiga and Steppe," which had appeared on page 73 in Soviet Russia Today\* in 1937. (80) Owen Lattimore testified before the subcommittee of the Senate Foreign Relations Committee in April, 1950, and inserted into the records of that body excerpts from letters written by individuals in his behalf. One such excerpt was from a letter written by B.C. Hopper, professor of government at Harvard University. (81) On December 16, 1952, Lattimore was indicted by a Federal Grand Jury in Washington, D.C., on seven counts of perjury arising out of his testimony before the Senate Internal Security Subcommittee investigating the Institute of Pacific Relations. Federal Judge Luther W. Youngdahl dismissed four of the counts on May 2, 1953; the Federal Court of Appeals restored two of them on July 8, 1954; and the Attorney General ordered all charges dismissed on June 28, 1955. (82)

Member of Advisory Committee

D.C. NEW YORK  
Manley Ottmer Hudson has been a member of the board of trustees of the World Peace Foundation since at least 1941. He also served as consultant to the Department of State from 1912 to 1946; member of the

\*See Appendix for Citation.

United Nations Committee on the Administrative Tribunal in 1946; member of the United Nations International Law Commission; and judge on the Permanent Court of International Justice from 1936 to 1946. (83) Bureau files reveal that Hudson's name, as well as Herter's, appeared on a pamphlet of the American Russian Institute for Cultural Relations with the Soviet Union\* as being a member of the advisory committee for that organization in approximately 1934 or 1935. (84) On January 17, 1942, it was reported that Hudson's name appeared on the mailing list of the American Russian Institute for Cultural Relations with the Soviet Union. (85)

#### Hiss' Successor

Joseph Esrey Johnson, in addition to acting as a trustee for the World Peace Foundation, has been president and trustee of the Carnegie Endowment for International Peace since 1950. He also served as acting chief and chief, Division of International Security Affairs, United States Department of State, 1944 to 1947; expert, United States delegation to the United Nations Conference on International Organization, San Francisco, California, 1945; advisor, United States delegation to the first session of the General Assembly of the United Nations, 1946; member, policy planning staff, Department of State, 1947; Deputy United States Representative, Interim Committee, United Nations General Assembly, 1948; and professor, Williams College, Williamstown, Massachusetts, 1947 to 1950. (86)

#### Established Atomic Policy

On January 25, 1949, Johnson was interviewed by Agents of the FBI concerning his relationship with Alger Hiss. Johnson advised that Hiss had been his supervisor in the Department of State and that they had worked together closely on a number of projects, including that of establishing United States policy on international control of atomic energy in 1946. He stated that he had been in close contact with Hiss until he (Johnson) left the Department of State in 1947, and that he had seen Hiss "occasionally" since then. (87) In 1949, the International Organization, official publication of the World Peace Foundation, listed Hiss and Johnson as trustees of the foundation. (88) Regarding this relationship, Freda Utey, in her book, The China Story, said: "When... a leakage of top secret information was traced to the Division of International Security Affairs (whose function was to service the United States representatives in the United Nations), its chief, Joseph E. Johnson, resigned. Johnson had formerly been Alger Hiss's top assistant at the State Department." (89)

\*See Appendix for Citation.



### \$50 Donation

Bureau files reveal that in 1938, Johnson contributed \$50 to the Friends of the Abraham Lincoln Brigade\* in memory of a childhood friend who had been killed while fighting for the Spanish Loyalists. (90) In 1951, his name appeared on the letterhead of the American Institute of Pacific Relations\* listing him as a member of the board of trustees. (91)

### Committee Chairman

*Mass,*

Donald Cope ~~McKay~~ is a professor of history at Harvard University and, from 1946 to 1952, was chairman of the Faculty Committee on International and Regional Studies. He has been a trustee of the World Peace Foundation since 1953. From 1941 to 1944, he served as a member of the board of analysts, Office of the Coordinator of Information and Office of Strategic Services. Bureau files reveal no information of a derogatory nature identifiable with McKay. (92)

### NATO Minister

*D.C. New York*

Tracy Stebbins ~~Voorhees~~ was Special Assistant to the Secretary of War from 1946 to 1947; War Department Food Administrator for Occupied Areas from 1947 to 1948; Assistant Secretary of the Army from 1948 to 1949; Undersecretary of the Army from 1949 to 1950; Defense Advisor to the United States Mission to the North Atlantic Treaty Organization (with the rank of minister), and Director of Offshore Procurement in Europe for the Secretary of Defense, from 1953 to 1954; consultant to the Secretary of Defense, 1954; and chairman of the President's Committee for Hungarian Refugee Relief from 1956 to 1957. He has been a trustee of the World Peace Foundation since 1947. (93) Bureau files contain no information of a derogatory nature identifiable with Voorhees.

### Pro-Nazi Allegations

*PH, D.C.*

Arnold Oscar ~~Wolfers~~ was president of the World Peace Foundation in 1955, but since 1957 has been director of the Johns Hopkins Washington Center of Foreign Policy Research. From 1942 to 1944, he was an expert consultant with the Office of the Provost Marshal General; from 1944 to 1945, he was a consultant with the Office of Strategic Services; and in 1947, he was a member of the resident faculty of the National War College. (94) Bureau files reveal a number of unsubstantiated allegations of pro-Nazi and pro-communist sympathies on Wolfers' part in Germany during the early 1930's, but there has been no information of a derogatory nature identifiable with him since his arrival in the United States in 1933. (95)

\*See Appendix for Citation.

### Influential Board

To date, there has been no indication in Bureau files that the World Peace Foundation has had any affiliation with--or been subjected to any infiltration by--organizations of a subversive nature. As in the case of the Ford Foundation, this is most fortunate for the people of the United States, for although it has been described by one of its officials as operating on a "moderate income," any organization that can claim the Secretary of State, a former Assistant Secretary of State, a former Undersecretary of the Army, and a former member of the policy planning staff of the Department of State as trustees is in a position to exert untold influence on our Nation's foreign policy. (96)

### Seeks Improved Citizenship

The first two categories of funds and foundations studied above include those which have favored causes inimical to the best interests of the United States and those which, though not sponsoring questionable or subversive causes to date, are nevertheless so powerful and influential that any step by them in that direction could conceivably bring great harm upon this country. The third category--yet to be explored--includes those philanthropic foundations which have actually taken positive steps to aid the internal security efforts of the United States. Among these might well be included the ~~American~~ Heritage Foundation, U.S.A. which was incorporated in 1947 as a "non-partisan, non-political, educational organization functioning in the interest of a higher level of citizenship throughout the United States." (97)

### Vote Projects

Its first four programs so far have included the nationwide tour of the Freedom Train, the "get-out-the-vote" campaign of 1950, the national program commemorating the 175th anniversary of the Declaration of Independence in 1951, and the National Non-Partisan Register and Vote Campaign of 1952. On February 11, 1959, its executive director, Brendan Byrne, was added to the Special Correspondents List. (98)

### Responsibility to Society

Funds and foundations receive from society certain highly advantageous concessions, not the least of which is exemption from taxes. In return for these privileges, and in view of the fact that the ultimate beneficiary of their works is society itself, it would seem entirely proper that these philanthropic bodies should be held accountable for their stewardship. Likewise, the men who operate them often have a power far greater than that granted to any elected or appointed government officials. The latter are held to an exact loyalty. The laws are strict regarding conflicts of interest. No such restraints are placed upon the trustees or officers of charitable foundations. They may support their favorite causes or see that donations are made to institutions or organizations on whose directive boards they also sit. They may be donors and recipients at the same time. They may favor their friends or relatives and pay salaries and fees without limitation.

### Positive Accomplishments

So far, it would appear that most funds and foundations are being used for legitimate purposes and are accomplishing much good. They are building hospitals, increasing teachers' salaries, financing research into the causes of disease, preventing and curing juvenile delinquency, giving aid to the poor, donating to religious causes, providing funds for struggling young scientists, and helping talented artists, composers, and writers. Unfortunately, as with any group, there are a handful that use their funds to the detriment of their country and their fellow citizens. It is important that Americans learn to distinguish between the two and encourage the former while keeping a vigilant eye on the latter.

## APPENDIX

### ORGANIZATIONS AND PUBLICATIONS MARKED FOR CITATION

Listed below are the names of organizations and publications in the preceding pages which were marked by asterisks for citation in the Appendix.

Those organizations or publications cited by Congressional or state committees are listed in the Guide to Subversive Organizations and Publications prepared and released by the Committee on Un-American Activities, U.S. House of Representatives, Washington, D. C., January 2, 1957. Those cited by the committees have been identified in the following list by the page number on which the citations appear in the Guide.

Those designated by the Attorney General of the United States pursuant to Executive Order 10450 have been identified with the notation: Executive Order 10450.

American Russian Institute for Cultural Relations with the Soviet Union  
(Executive Order 10450)

American Russian Institute of San Francisco (Executive Order 10450)

American Youth for Democracy (Executive Order 10450)

California Labor School (Executive Order 10450)

Civil Rights Congress (Executive Order 10450)

Communist Party, USA (Executive Order 10450)

Council for Pan-American Democracy (Executive Order 10450)

Daily People's World (Guide, p. 100)

Suspended publication in February, 1958; now published  
on a weekly basis as the People's World.

Daily Worker (Guide, p. 100)

Suspended publication in January, 1958; now published on a weekly basis as The Worker.

Friends of the Abraham Lincoln Brigade (Guide, p. 40)

Institute of Pacific Relations (Guide, p. 45)

Labor Research Association, Inc. (Executive Order 10450)

National Emergency Conference for Democratic Rights (Guide, p. 62)

National Lawyers' Guild (Guide, p. 64)

National Negro Congress (Executive Order 10450)

Soviet Russia Today (Guide, p. 108)

Suspended publication in March, 1951; now published under title of New World Review.

## SOURCES

- (1) Macdonald, p. 19
- (2) Macdonald, p. 37; Taylor, p. 9
- (3) Andrews, p. 24
- (4) Wormser, p. 17
- (5) Taylor, p. 9
- (6) Macdonald, p. 37; Collier's 1957 Year Book, p. 230
- (7) Macdonald, pp. 38-39; 1957 World Almanac, p. 547
- (8) Macdonald, p. 44
- (9) Statistical Abstract, p. 298
- (10) Andrews, p. 16
- (11) Statistical Abstract, p. 298
- (12) Andrews, pp. 21-37
- (13) Wormser, p. xi; Macdonald, p. 42
- (14) Andrews, p. 41; 1957 World Almanac, pp. 544, 547
- (15) Holbrook, p. 67
- (16) Wormser, p. 55
- (17) 1957 World Almanac, pp. 544-547; 1959 World Almanac, pp. 489-492; Seybold; Collier's 1957 Year Book, pp. 230-231
- (18) Wormser, pp. 29, 51

- (19) Wormser, p. 51
- (20) Wormser, pp. 43-44
- (21) Survey of Annual Giving and Alumni Support, by the American Alumni Council, 1959
- (22) Wormser, p. 43
- (23) Collier's 1957 Year Book, p. 230
- (24) Wormser, p. 79
- (25) 100-385355-24; 101-6064-41; The New York Times, 3/28/56;  
The New York World-Telegram, 1/8/37; The Washington Times  
Herald, 10/18/51; 100-411294-10
- (26) Wormser, p. 32
- (27) Kinsey, pp. 120-121
- (28) Kinsey, p. 328
- (29) Kinsey, p. 266
- (30) Harper's Magazine, December, 1947, "The Sex Habits of American Men," by Albert Deutsch, p. 490
- (31) Carnegie Endowment Year Book, 1934, p. 177; Wormser, p. 211
- (32) Josephson, pp. 204-220, 226
- (33) 62-26284-375; 100-418797-91D
- (34) 100-418797
- (35) Josephson, pp. 358-359
- (36) Andrews, pp. 76-77

- (37) Wormser, pp. 43-44, 48, 58
- (38) 100-236718-40, 50; The Communist Party, USA, Funds and Finances, 1919-1953 monograph, May, 1954, p. 42
- (39) 100-336021-48
- (40) 100-345143-21
- (41) 100-335739-4, 6, 7
- (42) Josephson, pp. 159, 290-291; The Washington Times Herald, 10/18/51, p. 6
- (43) The Rockefeller Foundation Report, 1940, p. 316; Josephson, pp. 226-227; The Washington Times Herald, 10/18/51, p. 6; The Daily Worker, 2/18/35, p. 7; Pravda, 7/22/35; 100-195220-67
- (44) 62-12770-86
- (45) Who's Who in America, 1958-1959, p. 2391
- (46) Utley, p. 121
- (47) The Fund for the Republic, Inc. monograph, November, 1955, p. 3
- (48) Wormser, pp. 51, 336-337, 399
- (49) Macdonald, p. 3; Collier's 1957 Year Book, p. 230
- (50) Macdonald, p. 4
- (51) Macdonald, p. 50
- (52) 100-418797-4
- (53) Macdonald, p. 61
- (54) 100-418797-4, 83A; Macdonald, p. 70; 40-3798-771



- (55) The New York Times Index, 1949; The New York Times Index, 1946; Hiss, p. 312
- (56) Carnegie Endowment Year Book, 1942, p. vii; 121-9893-28
- (57) 74-1333-5687
- (58) Hiss, p. 329; Cook, p. 3; Cooke, pp. 93, 240; Josephson, pp. 257-258
- (59) 121-9893-22, 42, 111; 100-420468-14; Who's Who in America, 1958-1959, p. 1422
- (60) 121-9893-111
- (61) 121-9893-12
- (62) 121-9893-22, 42, 111
- (63) Collier's 1950 Year Book, p. 134
- (64) 100-15760-3
- (65) 100-15760-10
- (66) Who's Who in America, 1958-1959, p. 112
- (67) 40-42127-3
- (68) Who's Who in America, 1958-1959, p. 178; 1957 World Almanac, p. 139; 116-387769-1
- (69) 62-60527-41161
- (70) The Daily People's World, 3/23/51, p. 2; 116-387769-11
- (71) 74-1333-5480, 5487X; Who's Who in America, 1958-1959, p. 390

- (72) Who's Who in Law, 1937, Vol. 1, p. 131; Josephson, p. 253;  
Who's Who in America, 1948-1949, p. 1141; 74-1333-5487X
- (73) 74-1333-5481
- (74) 74-1333-5487X
- (75) 100-15760-3; Who's Who in America, 1958-1959, p. 1259
- (76) 121-20645-13
- (77) 116-415645-17; 100-64700-1004, p. 13
- (78) Who's Who in America, 1958-1959, p. 1329
- (79) The Daily Worker, 1/5/37; 121-5465-8, pp. 2-3
- (80) 123-3152-15; 121-5465-8
- (81) 121-5465-11; 100-24628-1712, p. 71
- (82) 1957 World Almanac, p. 213
- (83) 100-15760-3; Who's Who in America, 1958-1959, p. 1355
- (84) 121-20645-13
- (85) 61-6211-176; 62-73667-2; 62-60527-36173
- (86) Who's Who in America, 1958-1959, p. 1433; 138-2229-1
- (87) 121-33180-7, p. 5
- (88) 116-333351
- (89) Utley, p. 121
- (90) 121-33180-1

- (91) 138-2229-23, p. 2
- (92) Who's Who in America, 1958-1959, p. 1858; Directory of American Scholars, p. 597; 77-23501
- (93) Who's Who in America, 1958-1959, p. 2859; 77-59677-44, 63
- (94) Who's Who in America, 1958-1959, p. 3036
- (95) 100-309003; 105-13723-1, 16; 124-6084; 121-28138-14;  
100-7056-80; 40-31189-2
- (96) 100-15760; 116-387769-4; 62-60527-42495; 100-356137-1035
- (97) 62-83054
- (98) 62-83054

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October 7, 1959

BY SPECIAL MESSENGER

Honorable Richard M. Nixon  
The Vice President  
Washington, D. C.

Dear Dick:

There is enclosed, as of possible interest, Copy 3 of  
the monograph entitled "Funds and Foundations."

This monograph is a study of those funds and foundations  
having an actual--or potential--influence upon the internal security  
of the United States and the foreign policies of our Government. It  
includes a brief history of the development of charitable foundations  
as they exist today, an analysis of their wealth and influence, and  
the subversive or questionable causes in which a number of them have  
invested their tax-exempt funds.

Your attention is invited to the Summary and the Conclusion  
which appear at the beginning of the monograph.

Upon removal of classified enclosure, this transmittal  
letter becomes unclassified.

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Sincerely,  
REC-51  
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Enclosure

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BY SPECIAL MESSENGER

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REC-21

62-102167-2  
The Attorney General

October 7, 1959

Director, FBI

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DATE 12-06-2011

## FUNDS AND FOUNDATIONS

There is enclosed, as of possible interest, Copy 2 of the captioned monograph.

This monograph is a study of those funds and foundations having an actual--or potential--influence upon the internal security of the United States and the foreign policies of our Government. It includes a brief history of the development of charitable foundations as they exist today, an analysis of their wealth and influence, and the subversive or questionable causes in which a number of them have invested their tax-exempt funds.

Your attention is invited to the Summary and the Conclusions, which appear at the beginning of the monograph.

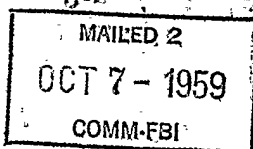
For your information, a copy of this monograph is being made available to the Vice President.

Upon removal of classified enclosure, this transmittal letter becomes unclassified.

Enclosure

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(5)



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## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. H. Belmont

DATE: September 28, 1959

FROM : W. C. Sullivan

SUBJECT: FUNDS AND FOUNDATIONS  
INFORMATION CONCERNING  
CENTRAL RESEARCH MATTER

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 McGuire \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Parsons \_\_\_\_\_  
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 Tamm \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 W.C. Sullivan \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holloman \_\_\_\_\_  
 Gandy \_\_\_\_\_

SYNOPSIS

Attached is a monograph on captioned subject based upon a pilot research study conducted into the actual--or potential--influence of funds and foundations upon the internal security and foreign policies of the United States. Approval has been granted on the completion of this study for highly selective dissemination of the final product to Vice President Nixon and to the Attorney General. The monograph includes both a history and an analysis of charitable foundations and the subversive or questionable causes in which a number of them have invested their tax-exempt funds. Evidence that the Ford Foundation is making little, if any, attempt to mend its ways is the announcement of a September, 1959, Ford grant to two men, one of whom is reportedly a former communist and the other of whom has been sentenced to prison twice for violations of the Selective Service and Training Act.

RECOMMENDATION

That, upon approval, this monograph be returned to the Central Research Section for printing and distribution. Plastiplates of this monograph are being retained in the Central Research Section. The monograph has been proof-read by the Reading Room.

ENCLOSURE  
monograph

Enclosures -

JEM:LLW/jes

(6)

- 1 - Section tickler
- 1 - John E. McHale Jr.
- 1 - Mrs. Whalen
- 1 - Mr. Oliver
- 1 - Mr. Belmont

52-00000-39

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 7-59. sent to Mr. Belmont

REC-2-105767-2

10 OCT 14 1959

CENTRAL RESEARCH

Memorandum to Mr. Belmont  
Re: Funds and Foundations

### DETAILS

Reference is made to my memorandum in captioned matter dated May 19, 1959, which set forth the results of a pilot research study conducted into those funds and foundations having an actual--or potential--influence upon the internal security of the United States and the foreign policies of our Government. The definitive analysis has now been completed.

### Dissemination Approved

Approval was granted for the preparation and dissemination of a monograph to be based on this pilot study for use as a reference work in security investigations. At the same time, approval was also granted for highly selective dissemination of the finished work when prepared in monograph form, to Vice President Richard M. Nixon and to the Attorney General because of the information contained in the study about the Department of State and Secretary of State Christian A. Herter. (100-352546-1787)

### History and Analysis

The monograph is enclosed and includes a brief history of the development of charitable foundations as they exist today, an analysis of their wealth and influence, and the subversive or questionable causes in which a number of them have invested their tax-exempt funds. As will be noted--following the suggestion in my memorandum of May 19--all references to Secretary of State Herter's associations with the Institute of Pacific Relations and the American Russian Institute for Cultural Relations with the Soviet Union which appeared in the pilot study have been deleted.

### Identification Study

One recent example of the type of irresponsibility exhibited by certain of these foundations that I thought you might be interested in was the announcement in The Philadelphia Evening Bulletin of September 8, 1959,



Memorandum to Mr. Belmont  
Re: Funds and Foundations

that the Ford Foundation had awarded a grant for the study of methods used by law enforcement officers in the identification of suspected criminals. As pointed out in the monograph, the two men in charge of the study include one who was reportedly identified as a member of the Communist Party in 1944, and one who was sentenced to six months and two years in 1943 and 1945, respectively, for violations of the Selective Service and Training Act. (100-331956; 116-162388; 14-621)

Congressional Interest

Evidence of the fact that foundations continue to be of pressing interest to various Government officials is the fact that on September 1, 1959, the House Committee on Un-American Activities--as pointed out in the monograph--approved a resolution recommending that the Secretary of the Treasury make public the findings of the Internal Revenue Service with respect to The Fund for the Republic. (Memo Mr. DeLoach to Mr. Tolson, 9/10/59, re "HCUA-Fund for the Republic")

*WLB* *DDW* *V*

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## FUNDS AND FOUNDATIONS

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October, 1959

Federal Bureau of Investigation  
United States Department of Justice  
John Edgar Hoover, Director

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
DeLoach \_\_\_\_\_  
McGuire \_\_\_\_\_  
Mohr \_\_\_\_\_  
Parsons \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tamm \_\_\_\_\_  
Trotter \_\_\_\_\_  
C. Sullivan \_\_\_\_\_  
Room \_\_\_\_\_

*See memo*  
JEM/LLW:bea  
(3)  
This monograph has been classified ~~Confidential~~ since the unauthorized disclosure of the information contained therein could logically result in the disclosure of the informants who provided this information, thereby adversely affecting the national defense.

NOTE: This monograph was based on memo from W. C. Sullivan to Mr. A. H. Belmont dated September 28, 1959 re captioned matter.

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ENCLOSURE

*62-105767-2*

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## PREFACE

This monograph is a study of the development and power of philanthropic foundations in the United States today.

It gives a brief history of foundations in general, an analysis of their wealth and influence, and the subversive or questionable causes in which a number of them have invested their tax-exempt funds.

The material contained in this monograph has been compiled from both public and confidential sources. The public sources are set forth at the end of the monograph. The confidential sources are being retained by this Bureau.

## SUMMARY AND CONCLUSIONS

### A. Summary

Foundations have a tremendous influence on Americans today if only from the sheer number of organizations involved and the colossal accumulations of wealth at their disposal. It is estimated, for example, that there are at least 7, 300 charitable bodies operating in the United States at the present time and, of these, the Ford Foundation alone is estimated to be worth approximately \$2, 500, 000, 000.

### B. Conclusions

1. Many of the larger foundations--and, indeed, some of the smaller ones--capitalize on their trustees serving with the Department of State and other Government bodies to sway foreign policy. The World Peace Foundation, which claims only a "moderate income," can boast on its board of trustees the current Secretary of State, a former Assistant Secretary of State, a former Under Secretary of the Army, and a former member of the policy planning staff of the Department of State.
2. The Carnegie Endowment for International Peace openly proclaimed in 1934 that it was an "unofficial instrument of international policy" and that its conclusions often "find their way into the policies of governments."
3. The Rockefeller Foundation is alleged to have been influential in obtaining United States recognition of Soviet Russia during the 1930's.

4. Alger Hiss, even after his indictment by a Federal grand jury, continued to serve as president of the Carnegie Endowment for International Peace and as a trustee of the World Peace Foundation and the Woodrow Wilson Foundation.
5. Many of the trustees--like Hiss--have served on the boards of more than one foundation, taking grants out of one pocket and putting them into another. A study of 155 officials of major foundations showed that 131 had served on the boards of two or more of the organizations analyzed. In one large fund, the 20 trustees were found to be holding a total of 113 outside philanthropic positions; in another, 14 were found to be holding 85 different trusteeships.
6. At least two foundations have devoted the majority of their funds to communist front causes.
7. The Rockefeller Foundation donated more than \$2,000,000 to a communist front known as the Institute of Pacific Relations between 1929 and 1950, and in 1940, awarded a \$20,000 grant to Hanns Eisler, who had been publicly identified as a German communist "revolutionary" and whom the Immigration authorities were then trying to have expelled from the country.
8. Foundations, as a whole, accomplish an untold amount of good in building and furnishing hospitals, increasing teachers' salaries, financing research, combating juvenile delinquency, and helping the needy. At the same time, since society is the beneficiary of their works, it is essential that foundations be aware of their responsibility to society and that care be exercised to make certain they do not fall into the wrong hands.



## **I. DEVELOPMENT OF CHARITABLE FOUNDATIONS**

### **A. Ancient Origin**

Because most European countries discourage large, philanthropic foundations by refusing them tax exemptions and by applying rigid controls, the practice of corporate giving has come to be associated almost entirely with the United States. And yet, traces of the practice can be followed back down through the ages to the almost legendary days of the old Greek and Roman city-states. In fact, there is active in England today The Worshipful Company of Farriers agricultural fund established nearly 150 years before Columbus set sail for the New World.

### **B. Early Opposition**

Nor has the history of these foundations been a placid or a peaceful one. As far back as May 6, 1312, Pope Clement V was forced to dissolve the powerful order of the Knights Templar, which had antagonized the secular states by its enormous aggregation of tax-exempt wealth. The Elizabethan Statute of Charitable Uses of 1601 was an acknowledgment of the importance of private endowments and offered them encouragement and protection following the depletions of the bloody struggles during the 16th

century. By 1853, however, the pendulum had begun to swing back the other way, and charity abuses led to the creation of a permanent administrative board to govern the distribution of largess. (5)

C. Wide Range in Size and Interests

American funds range in size from the Wilmington Foundation, which at last report had an annual budget of \$1, 51, to the Ford Foundation, which in 1950 alone donated more than half a billion dollars to various colleges, universities, hospitals, and related institutions throughout the country. (6) The subject matter also encompasses the whole spectrum, ranging from the Green Foundation in England, which provides green waistcoats for ladies named Green, to the Woodrow Wilson Foundation, which seeks to achieve international peace by the application of Wilson's 14 principles of peace. (7)

D. Growth of Foundations in the United States

The first major endowment in the United States was established by Benjamin Franklin in 1790 when he left a thousand pounds each to the cities of Boston and Philadelphia with the specification that the money was to be lent--at interest--to married apprentices of "upright behavior." (8)

Since that time, the number of foundations has gradually gained momentum.

By 1920 there were 75, and at the present time there are more than 4,100.

These are the ones actually registered by name with the United States Government as tax-exempt, philanthropic bodies. The United States

Department of Commerce estimates that the actual total is closer to 7,300. (9)

The rapid rate of growth in recent years may be noted by Maryland, which had only two in 1946 and 149 by 1955, or the State of New York, which grew from 236 to 1,238 during the same period. (10)

#### E. Foundations Defined

A charitable organization, by name, may be a foundation, fund, corporation, institution, endowment, association, trust, union, commission, or any one of a number of other designations. By definition, according to the Department of Commerce, it must be a "non-profit legal entity having a principal fund of its own, or receiving charitable contributions of a living founder or founders, which is governed by its own trustees or directors, and which has been established to serve the welfare of mankind." Excluded from this definition are endowed religious and educational institutions, those which solicit endowment or operating funds, and those which conduct a clinical or other local program of benefit to a single institution or group. (11)

## **F. Types of Foundations**

Generally speaking, funds and foundations may be broken down into six main classifications or categories:

1. The general research foundation (such as the Ford Foundation, the Rockefeller Foundation, and the like)
2. The special purpose foundation (such as the Emma A. Robinson Horses' Christmas Dinner Trust Fund and the Henry G. Freeman, Jr., Pin Money Fund to provide annuities for the wives of former United States Presidents)
3. The family or personal foundation (such as the Rockefeller Brothers Fund)
4. The corporation foundation (such as the Bulova Watch Company Foundation)
5. The community trust (such as the Cleveland Foundation and the New York Community Trust)
6. The Government foundation (such as the National Science Foundation) (12)

## **G. Tax Dodge**

A typical example of how--or why--a charitable fund may come into being is furnished by the Ford Foundation. Until the Revenue Act of 1950 put a stop to internal book juggling, one of the most effective means of escaping Federal taxes had been the process of reorganizing a business as a foundation. Under this arrangement, the profits went to the foundation, but since they

were tax free, this hurt neither the company's competitive position nor the salaries of its executives.

As one expert on trusts and funds put it, the "Ford Foundation itself is a product of the tax laws." If Henry and Edsel Ford had left their Ford stock to Edsel's children instead of to the Ford Foundation, the heirs would have had to sell most of the stock they had inherited merely to pay off the hundreds of millions of dollars that would have fallen due under the estate taxes. By transferring 90 per cent of the stock--all nonvoting--to the foundation, however, the Fords found a way to have their cake and eat it too. They retained voting control of the company while having the satisfaction of knowing that the money had remained in friendly hands. (13)

#### H. Public Relations and Advertising

Since (except for a brief period during the Civil War) personal income taxes were not levied in this country until 1913 and charitable contributions were not allowed as deductions until 1917, this certainly is not the only answer to the establishment of the giant money trusts of the 20th century. The Rockefeller Foundation, for instance, was established in 1913, and the Carnegie Endowment for International Peace in 1910. But the burgeoning science of public relations would appear to offer the primary (14)

answer--that and possibly the guilty consciences of the so-called "Robber Barons" of the late 19th century. It would appear, in all likelihood, that the fabulous charities of John D. Rockefeller during the present century were an attempt to offset the feelings prevalent in the days when he had been hanged and burned in effigy at Titusville, Pennsylvania, the site of the first oil well (15) in the United States.

There is also the value of good-will advertising, although as one expert pointed out, this can boomerang dangerously, as when the "newspaper revolutions of the antics of the Fund for the Republic" caused Ford sales (16) to plummet across the Nation. Foreign grants can also be used to further international business aims, as will be seen later in the case of the oil-minded Rockefellers. Other motives for establishing charitable trusts may be religious convictions, a sense of altruism, or merely a desire for personal aggrandizement or social recognition.

## **II. WEALTH AND INFLUENCE OF FOUNDATIONS**

### **A. Dangers of Foundations**

Whatever the reason for their inception, however, funds and foundations have become an integral part of the American scene. Their influence upon foreign policy, education, science, and social problems is a far-sweeping one. In addition to the money and names behind them, the organizations also have the prestige and guidance of a number of men renowned for their accomplishments in the above-mentioned fields. When misused or abused, these very assets work to the detriment of the foundations, their beneficiaries, and the country at large. Money is used to influence research projects in desired directions.

Grants have been awarded for various "screwball" undertakings or for irresponsible studies on such delicate matters as civil rights and private freedom by persons of questionable background. The names of reputable corporations and famous institutions have been lent to unsavory causes, thereby also lending an air of respectability to these causes. Slanted reports have been issued on matters of vital interest, thereby affecting the decisions of certain Government officials and school officials in the performance of

their duties. And overseas posts have been used by foundation officials to sway foreign policy of the United States regarding the countries concerned or to sway the actions of the foreign countries regarding the United States.

**B. Areas of Operation**

To understand the scope of influence of the major funds and foundations in the United States today, a total of 304 were analyzed as to their fields of interest. Naturally, there was some overlapping and duplication--particularly in the realms of religion, science, and education--but taken for their primary concerns, the various foundations were summed up as follows:

Education . . . . .	105
Charitable Works . . . . .	61
Medical Works and Studies . . . . .	52
Science and Engineering . . . . .	23
Aid to Youth . . . . .	11
Religion . . . . .	10
International Affairs . . . . .	9
Social Sciences . . . . .	8
Economics . . . . .	8
Art Studies and Projects . . . . .	8
Special Nationality Groups. . . . .	5
Civil Liberties and Race Matters . . . . .	4 (17)



C. The "Big Six"

Scarcely anyone familiar with the picture can deny that money-giving is a big business. Of the more than 4, 100 foundations known to the Department of Commerce, their aggregate wealth has been estimated as falling between seven and nine and one-half billion dollars. In 1953, between one third and one half of this wealth was consolidated in the hands of only 77 organizations. And of this total, \$1, 269, 500, 000 was in the hands of the "Big Six": Ford, Rockefeller, Carnegie, W. K. Kellogg, Duke, and (18) Pew. It is interesting to note that although the Reece Committee--the Special House Committee To Investigate Tax-Exempt Foundations and Comparable Organizations, 1954--was unable to criticize the operations of the last three, the same could not be said for the Ford, Rockefeller, and (19) Carnegie foundations. (20)

D. Influence on Education

The influence foundations can have on American education was made clear recently in a report by the American Alumni Council on contributions made to leading universities. According to the Council's 1959 study, 610 of the country's major private universities receive only one fourth of their contributions in the form of alumni gifts. The other three quarters comes from nonalumni individuals, the Federal Government, and private (21) foundations.

Regarding this situation, the Reece Committee reported that "Scholars and fund raisers both soon learn to study the predilections, preferences and aversions of foundations' executives and benefit from such knowledge by presenting projects likely to please them." That school officials cannot place themselves in a position to bite such a prodigal hand is evidenced by the fact that in 1956 alone the Ford Foundation doled out \$210,000,000 to American colleges and universities, plus another \$90,000,000 to various medical schools. In July, 1959, for instance, the American Mercury magazine stated that "the Ford Foundation has become a sort of super-government in the field of American higher education." (22) (23)

E. Advisory Council of Foundations

As if this strangle hold on the training ground of youth were not enough, a council to finance higher education was created by officials of the Ford, Rockefeller, Carnegie, and Alfred P. Sloan foundations, each of which contributes \$60,000 annually to its upkeep. The money, strangely enough, goes not to the direct support of higher education, but to pay a staff which advises corporations on how to spend their money, and colleges and universities on how to get it. (24)

F. Gellhorn Grant

A flagrant example of the awarding of a delicate study to a person of questionable background occurred in 1948, when the Rockefeller

Foundation granted \$110,000 to Cornell University for a study of the Government's Loyalty Program, with Professor Walter F. Gellhorn, of Columbia University, in charge. Gellhorn was identified on November 1, 1952, as a former Communist Party, USA, \* member by Louis F. Budenz, former managing editor of the Daily Worker. \*

Gellhorn publicly denied this allegation a month later, but was unable to refute a newspaper article which, in 1937, identified him as temporary First Vice President of the National Lawyers' Guild. \* He also ignored a speech before the United States House of Representatives by Representative Martin Dies on February 2, 1943, which named him as one of a group of Government employees "affiliated with communism." Despite the adverse publicity brought on by disclosures of Gellhorn's past, the Rockefeller Foundation made an additional grant of \$20,000 to his project in 1950, and The Fund for the Republic awarded him a fellowship for research in 1955. (25) (100-385355-24; 101-6064-4; 100-411294-10)

G. Sex Studies Financed

No better instance of a reputable name being lent to enhance an unsavory cause can be found than that offered by the Rockefeller Foundation's

\*See Appendix for citation.

support of the Kinsey sex studies. Between 1941 and 1949, the foundation poured approximately \$414,000 into the controversial researches of (26)  
Dr. Alfred Kinsey and his intrepid band of assistants. As a result of these subsidized studies, Dr. Kinsey's book, Sexual Behavior in the Human Female, was able to stun the American public with some highly startling "revelations."

A few of these include the theories that: (1) sexual relations between preadolescent children and adults (rape not being excluded) may have (27)  
"contributed favorably to their (the children's) later socio-sexual development"; (2) "...premarital socio-sexual experience... should contribute to this development of emotional capacities. In this, as in other areas, learning at an early age may be more effective than learning at any later age after (28)  
marriage"; and (3) premarital sexual experience "provides an opportunity for the female to adjust emotionally to various types of males... we have seen many hundreds of marriages ruined by the failure of the partners to learn before marriage that they could not adjust emotionally or sexually to (29)  
each other."

So contrary to accepted codes of morality and behavior were these theories and observations, that an article in Harper's Magazine exclaimed, "they would be unbelievable but for the impressive weight of

(30)  
scientific agencies backing the survey." Among the agencies so listed by the writer of the article were the Rockefeller Foundation's Medical Science Division and the University of Indiana.

H. "Unofficial" State Department

If anyone maintains that the money and influence behind some of the major foundations dealing in foreign relations could not affect the decisions of certain Government officials in the performance of their duties, then he is not facing facts. As far back as a quarter of a century ago, the Carnegie Endowment for International Peace was boasting that it had become "an unofficial instrument of international policy, taking up here and there the ends and threads of international problems and questions which the governments find it difficult to handle, and through private initiative reaching conclusions which are not of a formal nature but which unofficially find their way into the policies of governments."  
(31)

Nor was this boast an empty or meaningless one. An individual who has made a study of the activities of the Rockefeller Foundation, for instance, has credited it with exerting the pressure that led to the recognition of Soviet Russia by the United States during the 1930's. He offered his reason for the pressure as being Standard Oil's desire to negotiate oil contracts  
(32)  
with the Soviet leaders. As will be brought out later, under the individual

organizations, wholesale lots of officials or trustees of various foundations have been--or are--employed by the United States Department of State.

**I. Federal Government Studies**

Other attempts to influence Government officials, either directly or indirectly, can be discerned in two recent research projects of note. The University of Illinois, under a \$242,000 grant from the Ford Foundation, is currently making a four-year study of the correctional programs of the Federal Government. Similarly, the University of Chicago and Cornell University, under a \$130,000 grant from the Carnegie Corporation, are making a combined study of Federal executives to determine how opportunities in the Federal service compare with those in private industry. (100-418797)

**J. Danger of Interlocking Trusteeships**

One of the real dangers stemming from funds and foundations is their proclivity toward interlocking trusteeships. A study into this matter revealed that of 155 officials of major foundations in the United States, 131 (33) were trustees in two or more of the foundations analyzed. Still another study noted that one large foundation had 20 trustees who held a total of 113 trusteeships with other charitable organizations, and another had 14 (34) trustees holding 35 outside philanthropic positions.

From this, it would appear that one of two evils is taking place: either the trustees are concentrating the controls of a large number of tax-exempt, power-laden organizations in the hands of a small number of men, or else they have so many overlapping, time-consuming jobs to contend with that they are unable to give proper guidance to the organizations entrusted to them and hence are allowing small groups of unsupervised "professional administrators" to take over the controls from them.

In either event, the danger is approximately the same, and in practice, it would appear that a combination of the two situations is gradually evolving. The trustees--often holding two or three outside posts while attached to some position of importance with the Government--take money out of one pocket and put it into another, by making grants from one foundation to another. The professional administrators, on the other hand, overlook the trustees' dealings in these matters in exchange for a free hand in operating more or less as they want.

### **III. SUBVERSIVE OR QUESTIONABLE CAUSES** **SPONSORED BY FOUNDATIONS**

In trying to determine whether these all-pervasive bodies use their power for good or evil, it becomes obvious from the very beginning that not all of them act, or react, in the same manner. There are those organizations at the far left of the scale which have been founded, nurtured, and designed to promote causes inimical to the best interests of the internal security of the United States. There are those organizations which were once dedicated to unsavory or questionable causes, but which have since lost their original sponsors, and are no longer dedicated to the earlier causes. There are those other organizations which, while having no particularly subversive background, can be used by "do-gooding" or communist-minded administrators to lend the prestige of their names and their enormous accumulations of wealth to subversive causes. And finally, there are those organizations which are dedicated to the principles of the American way of life and which have been used by their officials to help the Government and the country as a whole.



**A. Foundations Aiding Communist Movement**

**1. Robert Marshall Foundation**

This foundation, established by the will of Robert Marshall, who died in 1939, was designated for "the promotion and advancement of an economic system in the United States based upon the theory of production for use and not for profit." The principal administrator of the foundation has been Robert Marshall's brother, George, reportedly a long-time Communist Party member. The Robert Marshall Foundation was one of the main sources of funds with which communist fronts were financed in the years between 1940 and 1953. Substantial sums of money were given to such communist fronts as the American Youth for Democracy, \* California Labor School, \* Civil Rights Congress, \* Council for Pan-American Democracy, \* National Negro Congress, \* and Labor Research Association, Incorporated. \* By August, 1959, however, the bank balance of the

Robert Marshall Foundation had reportedly fallen below the \$10,000 mark. (The Communist Party, USA, Funds and Finances, 1919-1953, May, 1954, pp. 42-44; 100-236718-40, 50, 56) 2. American People's Fund

The American People's Fund was formed in 1942 ostensibly as a charitable, educational, and scientific trust with Frederick Vanderbilt Field as president. Field, who has been a member of the Communist Party for years, has been the heaviest financial contributor to communist

\*See Appendix for citation.

enterprises and causes during the past 25 years. The American People's Fund made cash disbursements to such well-known communist front organizations as the National Council of American-Soviet Friendship, \* Institute of Pacific Relations, \* American Committee for Protection of Foreign Born, \* and Labor Youth League, \* as well as to a number of persons reliably reported to be communists. (The Communist Party, USA, Funds and Finances; 1919-1953, May, 1954, pp. 27, 44-45; 100-2278-294; 100-345143-21)

### 3. Rosenberg Foundation

A good example of a foundation which appears to have reversed its direction since earlier days is the Rosenberg Foundation of San Francisco. Established in 1936, it operates generally in the fields of community health, education, and recreation. Louise Rosenberg Bransten, a prominent communist and niece of the founder, served on the foundation's board of directors from 1936 to 1951. During her tenure as a board member, there is evidence that through her influence some funds were given to organizations controlled or infiltrated by communists. The California Labor School and the American Russian Institute of San Francisco\* were among the front groups that received financial assistance from this foundation. Bransten has not been affiliated with the foundation since 1951, and several years ago it was described as a presently "well-intentioned philanthropic body." (The Communist Party, USA, Funds and Finances, 1919-1953, pp. 39-40; 100-335739-4, 6, 7)

\*See Appendix for citation.

**B. Prominent Foundations Susceptible to Subversive Manipulation**

In any discussion of those organizations which can be used by trustees or administrators to lend the prestige of their names and their enormous accumulation of wealth to subversive causes, the spotlight must immediately be focused on the "Big Three": Ford, Carnegie, and Rockefeller.

**1. Rockefeller Foundation**

**a. \$2,000,000 to Institute of Pacific Relations\***

It has been mentioned above that the Rockefeller Foundation was reportedly instrumental in influencing American recognition of the Soviet Union during the 1930's. Part and parcel of the same operation, and possibly just as little known by the general public, is the fact that this foundation all but established and maintained the notorious Institute of Pacific Relations from 1929 to 1950. During that time it granted the institute more than \$2,000,000, including \$55,000 in 1929; \$283,499 in 1930; and \$110,000 in 1950. (36)

**b. Eisler Grant**

One of the most controversial battles involving the Rockefeller Foundation, however, concerned a 1940 grant of \$20,160 to Hanns Eisler, brother of the prominent Soviet agent, Gerhart Eisler, for a two-year study

\*See Appendix for citation.

of music in film productions. Despite the facts that the Daily Worker, in 1935, described Hanns Eisler as a leader in the "spreading of revolutionary music among the German workers" before his migration to the United States; that Pravda, official organ of the Central Committee of the Communist Party of the Soviet Union, referred to him as a member of the "proletariat 'agitpropgroup' (agitation-propaganda group)" in 1927, as well as one who had been successful in forming a "communist wing"; and that the United States Immigration and Naturalization Service was even then attempting to deport Eisler, the Rockefeller Foundation, in February, 1940, awarded him a \$20,000 research grant. Less than six months later there was a warrant out for Eisler's arrest, charging him with violating the immigration laws of the United States. (37) (100-195220-67)

c. Rockefeller Head Termed "Dupe"

Dean Rusk, president of the Rockefeller Foundation since 1952, has admitted that he was formerly a member of the Institute of Pacific Relations. He was also Special Assistant Secretary of War from 1946 to 1947; director of the Office of United Nations Affairs, United States Department of State, from 1947 to 1949; Assistant Secretary of State and Deputy Under Secretary of State from 1949 to 1951. (62-12770-86) (38)

Fréda Utley, former research worker in the Institute of World Economy and Politics at Moscow, had the following to say regarding Rusk in her book, The China Story:

"Dean Rusk has proved that he must be classified among the dupes of the Chinese Communists. On June 14, 1950, he told the World Affairs Council Conference of the University of Pennsylvania that the Chinese 'Revolution' is 'not Russian in essence' and 'does not aim at dictatorship.' "

Here is a former high official of the State Department and president of the second largest foundation in the country on record, and as Utley says, not even "Mao Tse-tung nor Stalin... ventured to give such a clean bill of health to the Chinese Communists,..." (39)

## 2. Ford Foundation

### a. Ford Dwarfs Competitors

The Ford Foundation is famous for two things: its fantastic size and the fact that in October, 1951, it established the infamous Fund for the Republic, which has been a thorn in the side of American internal security ever since. The size of this foundation is well worth a quick glance in order to evaluate its influence on the country at large. (The Fund for the Republic, Inc., Monograph, November, 1955, p. 3)

In the first place, it is extremely difficult to arrive at the exact worth of an organization as large and as complex as the Ford Foundation.

Rene A. Wormser, general counsel to the Reece Committee during 1953 and 1954, estimated its value as being approximately \$520,000,000 in 1953, or more than twice the size of the next two largest foundations (the Rockefeller Foundation and the Carnegie Corporation) combined. (40)

Dwight Macdonald in his book, The Ford Foundation, states, however, that the true worth of the organization must be based on the market value of the 90 per cent of the Ford Motor Company stock that it owns, which would have amounted to approximately \$2,500,000,000 in 1955. A partial corroboration of this estimate can be noted in the fact that Ford Foundation grants for 1956 alone totaled more than \$500,000,000. (41)

Obviously, no other foundation in the country can come even close to this type of spending. Its grants of \$63,000,000 in 1954, for instance, were more than four times what the Rockefeller Foundation averages in a given year and more than ten times what the Carnegie Corporation averages a year. In fact, its 1954 expenditures amounted to one fourth of all the money donated by all the charitable foundations in the United States combined. (42)

Regarding The Fund for the Republic, its status as a tax-exempt organization has been under study by the Internal Revenue Service for the past several years, and on September 1, 1959, the House Committee on

Un-American Activities approved a resolution recommending that the Secretary of the Treasury be "urgently requested to make public the facts developed as a result of the investigation," (Memo Mr. DeLoach to Mr. Tolson, 9/10/59, re "House Committee on Un-American Activities--Fund For the Republic; memo Mr. Frohbose to Mr. Belmont, 9/16/59, re "Fund For the Republic)

b. Ford Grants

Between the years 1951 and 1954, the Ford Foundation made donations of \$188,000,000 in the form of educational grants, aid to international programs, and projects in sociology, psychology, economics, and political science.

Typical of the Ford grants made was that announced by a Philadelphia newspaper in September, 1959, of a study to be made of the methods used by law enforcement officers in the identification of suspected criminals. Ironically, one of the college officials chosen to head the program was sentenced to prison terms of six months and two years in 1943 and 1945, respectively, for violations of the Selective Service and Training Act. Another of his associates was (43)  
reportedly a member of the Communist Party in 1944.  
(14-621; 100-331956; 116-162388)

c. International Goals

Its international programs include: (1) the financing of refugee work; (100-418797-4)  
(2) the encouraging and financing of the study of foreign nations by American scholars and laymen; and (3) the aiding of "overseas development," which means the donation of money to local institutions abroad and the introduction of (44)  
American technology and know-how to backward countries.

d. Potential Threat

Fortunately for the people of the United States, the Ford Foundation has not consciously engaged in, or sponsored, to date, any activities of a subversive nature; that is, if one overlooks the establishment of The Fund for the Republic--which even the foundation officials later came to accept as a mistake--and the hiring of Earl Browder, former general secretary of the Communist Party, USA, as an "expert" on communism. If all this wealth (45) (40-3798-771; 100-418797-4) and power should ever be turned against the country that has made them possible, however, a most serious development will have occurred, and no less than a genuine prophet could speculate as to the consequences of such an event.

3. Carnegie Endowment

a. Carnegie Endowment Hires Alger Hiss

Number three, moneywise, in the ranking of major foundations, is the Carnegie Corporation. One of its primary offshoots is the Carnegie Endowment for International Peace, founded back in 1910. Unlike the Rockefeller Foundation, the Carnegie Endowment is not reported to have been influential in the recognition of Soviet Russia or to have flouted the security interests of the country by granting a \$20,000 award to a known



subversive. Unlike the Ford Foundation, it has neither established a Fund for the Republic nor paid Earl Browder as an "expert" in communism. But it did have Alger Hiss as president from December, 1946, to May, 1949. (46)

And it did have as a trustee from 1937 until at least 1948, one Philip C. Jessup. (47) (121-9893-28)

In August, 1948, Whittaker Chambers, a confessed Soviet espionage agent, appeared before the House Committee on Un-American Activities (HCUA) and charged Alger Hiss with membership in an underground group of the Communist Party, USA. Hiss denied the charges under oath before the HCUA and challenged Chambers to repeat them where they would not be privileged against suit for libel. Chambers repeated his charges on a radio program August 27, 1948, and a month later Hiss filed a civil suit for libel.

During a pretrial hearing on the libel suit, Chambers produced documents, consisting of summaries and/or excerpts from State Department papers, to support a new charge against Hiss--espionage. On December 2, 1948, Chambers delivered to investigators of the HCUA the now-famous "pumpkin papers." On the basis of this additional disclosure, Chambers and Hiss were summoned before a Federal grand jury in New York. On

December 15, 1948, the grand jury indicted Hiss on two counts of perjury. Hiss was tried twice. The first trial ended with a hung jury and the second, with his conviction on January 21, 1950. He was sentenced to five years. His conviction was affirmed and the Supreme Court denied certiorari. On November 27, 1954, he was released from prison. (74-1333-5687)

It is interesting to note that just as a number of prominent Americans "were reluctant to turn their backs" on Hiss, so too was the Carnegie Endowment. Even after the "pumpkin papers" had been retrieved and a grand jury indictment returned against Hiss, the Endowment officials refused to discharge him from his \$20,000-a-year post. When Hiss finally offered to resign, under considerable adverse publicity, he was granted a leave of absence to extend to the end of his appointment in 1949. Although it did not receive the same newspaper coverage, Hiss continued his service unchallenged as a trustee on both the World Peace Foundation and the Woodrow Wilson Foundation during the same period. (43)

b. Philip C. Jessup with Same Groups

Like Hiss, Philip C. Jessup held a number of positions of importance with the Department of State. In 1943, he was chairman of the Office of Foreign Relief; in 1948, Deputy United States Representative on the United

Nations Security Council; and from 1949 to 1953, Ambassador at Large. Also, like Hiss, in addition to acting as a trustee for the Carnegie Endowment, Jessup served in a similar capacity with both the World Peace Foundation and the Woodrow Wilson Foundation. (49) (121-9893-22, 42, 111; 100-420468-14)

Jessup has admitted having sponsored two dinners given by the American Russian Institute for Cultural Relations with the Soviet Union<sup>2</sup> in 1944 and 1946. He also admitted having served as a trustee of the American Institute of Pacific Relations from 1933 to 1945, as chairman from 1939 to 1940, and as chairman of the Pacific council of the institute from 1938 to 1939 and from 1940 to 1942. In 1939 and 1940, Jessup was a member of the board of sponsors of the National Emergency Conference for Democratic Rights.<sup>3</sup> During Alger Hiss' second trial, Jessup testified as a character witness, stating that he had had close, friendly social contacts with Hiss since the San Francisco United Nations conference in 1945. On June 2, 1945, Professor S. B. Krylov, Soviet delegate to the San Francisco conference, remarked to a fellow Soviet official that Jessup "is a very important person and is very useful to us."

(121-9893-12, 22, 42, 111)

c. College Clubs

The Carnegie Endowment for International Peace had a \$10,000,000 endowment as of 1950, and was sponsoring international relations clubs in

<sup>2</sup>See Appendix for citation.

(50)

approximately 850 colleges and universities. Although there is no indication that any subversive projects have been sponsored by the endowment to date, if it should ever be swayed in that direction by men of the likes of Hiss and Jessup, it would be in a position to do a tremendous disservice to both American education in particular and the whole United States in general.

#### 4. World Peace Foundation

Not all philanthropic bodies are the towering organizations of Ford, Rockefeller, and Carnegie, rolling in a mass of accumulated wealth that they are hard-pressed to give away. It is easy to visualize the impact on American thinking of the larger foundations and their affiliates. But what is the power of the smaller ones? Just how influential are they, and just how much damage could they do to international relations if they happened to get into the wrong hands? In an attempt to answer these questions, the World Peace Foundation, of Boston, Massachusetts, has been singled out as having the requisite characteristics to serve as an illustration for the others in its general category, on both the good and bad sides of the ledger. It is an excellent example of just how important some of these smaller groups can become.

a. Peace Promotion

The World Peace Foundation was incorporated under Massachusetts laws in 1910 as a nonprofit organization without capital stock. It was originally listed as the International School of Peace, and was founded by Edward Ginn, a well-known publisher in Boston, for the purpose of forwarding the cause of world peace. This purpose has been accomplished principally by means of its publications and the maintenance of a reference service which furnishes, by request, information on current international problems. It also promotes a study-group program which brings together experts on American foreign relations, world economics, and political problems. (100-15760-3)

b. Board of Trustees

An organization is, however, only a collection of human beings, and any attempt to determine the aims and motives of a given organization must take into account the aims and motives of that body's leaders. Accordingly, a study was made of the following 1955 trustees of the World Peace Foundation:

Frank Aydelotte  
James Phinney Baxter III  
Harvey Hollister Bundy  
Christian Archibald Herter  
Bruce Campbell Hopper  
Manley Ottmer Hudson

Joseph Esrey Johnson  
Donald Cope McKay  
Tracy Stebbins Voorhees  
Arnold Oscar Wolfers } (100-15760-3)

(1) Frank Aydelotte

Dr. Frank Aydelotte, who died on December 17, 1956, had been a trustee of the World Peace Foundation since 1927. He also served as president of Swarthmore College, Swarthmore, Pennsylvania, from 1921 to 1940; chairman of the Committee on Scientific Personnel, Office of Scientific Research and Development, in 1942; member of the Anglo-American Committee of Inquiry on Palestine, 1945 to 1946; director of the Institute for Advanced Study, Princeton, New Jersey, from 1939 to 1947; and chairman of the Educational Advisory Board, John Simon Guggenheim Memorial Foundation, (51) from 1925 to 1950.

On January 23, 1943, Dr. Aydelotte testified before the Interdepartmental Visa Review Committee in behalf of an applicant for an immigration visa. During this testimony, he was specifically asked if the Institute for Advanced Study would refuse a professorship to an individual known to be a member of the Communist Party. Aydelotte stated that he would decline to answer the question specifically, but added that personally

he did not consider such membership to be a bar. He said that the attainments of a given candidate were the matter of interest to the board of trustees. (40-42127-3)

(2) James Phinney Baxter III

James Phinney Baxter III, in addition to acting as a trustee for the World Peace Foundation, has served as president of Williams College, Williamstown, Massachusetts, since 1937. His positions with the Government include those of lecturer, Naval War College, 1932 to present; director of research and analysis, Office of the Coordinator of Information, 1941 to 1942; deputy director, Office of Strategic Services, 1942 to 1943; and historian, Office of Scientific Research and Development, 1943 to 1946. In 1947, he won (52) the Pulitzer prize for history, with his work entitled Scientists Against Time. (116-387769-1)

In October, 1941, Baxter recommended the appointment of one Maurice Halperin to the Office of Strategic Services. In public testimony before the HCUA on July 31, 1948, Elizabeth Terrell Bentley, a self-described espionage courier, identified Halperin as a Communist Party member and as a person who had furnished her with espionage information during the period she was active. The Daily People's World\* on March 23, 1951, carried an (62-60527-41161) article entitled "College President Scores Loyalty Oath." In it, Baxter was

\*See Appendix for citation.

quoted as saying that "Insistence on loyalty oaths for teachers had decreased morale remarkably and made it hard to recruit new professors at the University of California." (53) (116-387669-11)

(3) Harvey Hollister Bundy

Harvey Hollister Bundy was Assistant Secretary of State from 1931 to 1933, and Special Assistant to the Secretary of War from 1941 to 1945. He has also served as a trustee of the World Peace Foundation since at least 1941 and as chairman of the Board of the Carnegie Endowment for International Peace since 1953. (54)

In the meantime, his private life and professional career (74-1333-5480, 5487x) have been tied in quite closely with those of Alger Hiss. Both served as secretary to Supreme Court Justice Oliver Wendell Holmes (Bundy from 1914 to 1915; Hiss from 1929 to 1930); both worked for the law firm of Choate, Hall, and Stewart in Boston, Massachusetts, from 1930 to 1932 (of which firm Bundy is now a partner); both have been associated with the Department of State (in fact, Hiss gave Bundy as a reference when he first applied for a position there); and both have been associated with the World Peace Foundation and the Carnegie Endowment for International Peace. (55) They have also been associated in that Bundy's son, William Putnam Bundy, contributed (74-1333-5487x) \$400 to the defense of Alger Hiss when the latter was on trial for perjury.



Harvey Eundy was a member of the American Council of the Institute of Pacific Relations from 1937 to 1939. (74-1333, 5481, 5487x)

(4) Christian Archibald Herter

Christian Archibald Herter is the recently appointed Secretary of State. Prior to this, he served as a member of the 78th through the 82nd Congresses from 1943 to 1953; Governor of Massachusetts from 1953 to 1957; and as Under Secretary of State from 1957 to 1959. Herter has been a trustee of the World Peace Foundation since at least 1941. (56) (100-15760-3)

(5) Bruce Campbell Hopper

Bruce Campbell Hopper is a lecturer at the Naval War College, the Army War College, and the Armed Forces Staff College and member of the Educational Exchange Program for the Department of State. From 1926 to 1929, he was an observer for the Institute of Current World Affairs in the Soviet Union; from 1945 to 1947, he was a consultant to the commanding general of the Air Force; in 1956, he served as a lecturer at the Institute of Aeronautical Sciences; and, at an unspecified date, he served as a member of the Air Force Academy Site Selection Board for the Air Force Historical Foundation. (57)

The Daily Worker for January 5, 1937, carried an article stating that Hopper had delivered a speech on the Soviet Union at the American Russian Institute. The records of the HCUA reveal that one Bruce Hopper (121-5465-8, pp. 2-3) had written an article entitled "Seeds of Tomorrow in Taiga and Steppe," which had appeared on page 73 in Soviet Russia Today\* in 1937. (123-3152-15; 121-5465-8)

Owen Lattimore testified before the subcommittee of the Senate Foreign Relations Committee in April, 1950, and inserted into the records of that body excerpts from letters written by individuals in his behalf. One such excerpt was from a letter written by B. C. Hopper, professor of government at Harvard University. On December 16, 1952, Lattimore was (121-5465-11; 100-24628-1712, p. 71) indicted by a Federal grand jury in Washington, D. C., on seven counts of perjury arising out of his testimony before the Senate Internal Security Subcommittee investigating the Institute of Pacific Relations. Federal Judge Luther W. Youngdahl dismissed four of the counts on May 2, 1953; the Federal Court of Appeals restored two of them on July 8, 1954; and (59) the Attorney General ordered all charges dismissed on June 28, 1955.

(6) Manley Ottmer Hudson

Manley Ottmer Hudson has been a member of the board of trustees of the World Peace Foundation since at least 1941. He also served as

\*See Appendix for citation.

consultant to the Department of State from 1912 to 1946; member of the United Nations Committee on the Administrative Tribunal in 1946; member of the United Nations International Law Commission; and judge on the Permanent Court of International Justice from 1936 to 1946. Hudson (60) (100-15760-3) was affiliated with the American Russian Institute for Cultural Relations with the Soviet Union, being a member of the advisory committee for that organization in approximately 1934 or 1935. (121-20645-13)

**(7) Joseph Esrey Johnson**

Joseph Esrey Johnson, in addition to acting as a trustee for the World Peace Foundation, has been president and trustee of the Carnegie Endowment for International Peace since 1950. He also served as acting chief and chief, Division of International Security Affairs, United States Department of State, 1944 to 1947; expert, United States delegation to the United Nations Conference on International Organization, San Francisco, California, 1945; advisor, United States delegation to the first session of the General Assembly of the United Nations, 1946; member, policy planning staff, Department of State, 1947; Deputy United States Representative, Interim Committee, United Nations General Assembly, 1948; and professor, Williams College, Williamstown, Massachusetts, 1947 to 1950. (61) (138-2229-1)

Johnson has said that Alger Hiss had been his supervisor in the Department of State and that they had worked together closely on a number of projects, including that of establishing United States policy on international control of atomic energy in 1946. He has stated that he had been in close contact with Hiss until he (Johnson) left the Department of State in 1947, and that he had seen Hiss "occasionally" since then. In 1949, the International Organization, (121-33180-7, p. 5) official publication of the World Peace Foundation, listed Hiss and Johnson as trustees of the foundation. Regarding this relationship, (116-333351) Freda Utley, in her book, The China Story, said:

"When... a leakage of top secret information was traced to the Division of International Security Affairs (whose function was to service the United States representatives in the United Nations), its chief, Joseph E. Johnson, resigned. Johnson had formerly been Alger Hiss's top assistant at the State Department." (62)

In 1938, Johnson contributed \$50 to the Friends of the Abraham Lincoln Brigade\* in memory of a childhood friend who had been killed while fighting for the Spanish Loyalists. In 1951, he was a member of the (121-33180-1) board of trustees of the American Institute of Pacific Relations. (138-2229-23, p. 2)

\*See Appendix for citation.

(8) Donald Cope McKay

Donald Cope McKay is a professor of history at Harvard University and, from 1946 to 1952, was chairman of the Faculty Committee on International and Regional Studies. He has been a trustee of the World Peace Foundation since 1953. From 1941 to 1944, he served as a member of the board of analysts, Office of the Coordinator of Information and Office of Strategic Services. (63) (77-23501)

(9) Tracy Stebbins Voorhees

Tracy Stebbins Voorhees was Special Assistant to the Secretary of War from 1946 to 1947; War Department Food Administrator for Occupied Areas from 1947 to 1948; Assistant Secretary of the Army from 1948 to 1949; Under Secretary of the Army from 1949 to 1950; Defense Advisor to the United States Mission to the North Atlantic Treaty Organization (with the rank of minister), and Director of Offshore Procurement in Europe for the Secretary of Defense, from 1953 to 1954; consultant to the Secretary of Defense 1954; and chairman of the President's Committee for Hungarian Refugee Relief from 1956 to 1957. He has been a trustee of the World Peace Foundation since 1947. (64)

(77-59677-44, 63)

(10) Arnold Oscar Wolfers

Arnold Oscar Wolfers was president of the World Peace Foundation in 1955, but since 1957 has been director of the Johns Hopkins Washington Center of Foreign Policy Research. From 1942 to 1944, he was an expert consultant with the Office of the Provost Marshal General; from 1944 to 1945, he was a consultant with the Office of Strategic Services; and in 1947, he was a member of the resident faculty of the National War College. (65)  
(100-309003; 105-13723-1, 16; 124-6084; 121-28138-14; 100-7056-80; 40-31189-2)  
c. Influential Board

To date, there has been no indication that the World Peace Foundation has had any affiliation with--or been subjected to any infiltration by--organizations of a subversive nature. As in the case of the Ford Foundation, this is most fortunate for the people of the United States, for although it has been described by one of its officials as operating on a "moderate income," any organization that can claim the Secretary of State, a former Assistant Secretary of State, a former Under Secretary of the Army, and a former member of the policy planning staff of the Department of State as trustees is in a position to exert untold influence on our Nation's foreign policy. (100-15760; 116-387769-4; 62-60527-42495; 100-356137-1035)

#### **IV. FOUNDATIONS PROMOTING SECURITY OF UNITED STATES**

The first two categories of funds and foundations studied above include those which have favored causes inimical to the best interests of the United States and those which, although not sponsoring questionable or subversive causes to date, are nevertheless so powerful and influential that any step by them in that direction could conceivably bring great harm upon this country. The third category--yet to be explored--includes those philanthropic foundations which have actually taken positive steps to aid the internal security efforts of the United States. Among these might well be included the American Heritage Foundation, which was incorporated in 1947 as a "non-partisan, non-political, educational organization functioning in the interest of a higher level of citizenship throughout the United States." Its first four programs have been the nationwide tour of the Freedom Train, the "get-out-the-vote" campaign of 1950, the national program commemorating the 175th anniversary of the Declaration of Independence in 1951, and the National Non-Partisan Register and Vote Campaign of 1952. (62-83054)

## **V. RESPONSIBILITY OF FOUNDATIONS TO SOCIETY**

Funds and foundations receive from society certain highly advantageous concessions, not the least of which is exemption from taxes. In return for these privileges, and in view of the fact that the ultimate beneficiary of their works is society itself, it would seem entirely proper that these philanthropic bodies should be held accountable for their stewardship. Likewise, the men who operate them often have a power far greater than that granted to any elected or appointed Government officials. The latter are held to an exact loyalty. No such restraints are placed upon the trustees or officers of charitable foundations. They may support their favorite causes or see that donations are made to institutions or organizations on whose directive boards they also sit. They may be donors and recipients at the same time. They may favor their friends or relatives and pay salaries and fees without limitation.

So far, it would appear that most funds and foundations are being used for legitimate purposes and are accomplishing much good. They are building hospitals, increasing teachers' salaries, financing research into



~~CONFIDENTIAL~~

the causes of disease, preventing and curing juvenile delinquency, giving aid to the poor, donating to religious causes, providing funds for struggling young scientists, and helping talented artists, composers, and writers. Unfortunately, as with any group, there are a handful that use their funds to the detriment of their country and their fellow citizens. It is important that Americans learn to distinguish between the two and encourage the former while keeping a vigilant eye on the latter.

- 41 -

~~CONFIDENTIAL~~

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## APPENDIX

### ORGANIZATIONS AND PUBLICATIONS MARKED FOR CITATION

Listed below are the names of organizations and publications in the preceding pages which were marked by asterisks for citation in the Appendix.

Those organizations or publications cited by Congressional or state committees are listed in the Guide to Subversive Organizations and Publications prepared and released by the Committee on Un-American Activities, U. S. House of Representatives, Washington, D. C., January 2, 1957. Those cited by the committees have been identified in the following list by the page number on which the citations appear in the Guide.

Those designated by the Attorney General of the United States pursuant to Executive Order 10450 have been identified with the notation: Executive Order 10450.

American Committee for Protection of Foreign Born (Executive Order 10450)

American Russian Institute for Cultural Relations with the Soviet Union (Executive Order 10450)

American Russian Institute of San Francisco (Executive Order 10450)

American Youth for Democracy (Executive Order 10450)

California Labor School (Executive Order 10450)

Civil Rights Congress (Executive Order 10450)

Communist Party, USA (Executive Order 10450)

Council for Pan-American Democracy (Executive Order 10450)

Daily People's World (Guide, p. 100)

Suspended publication in February, 1958; now published on a weekly basis as the People's World.

Daily Worker (Guide, p. 100)

Suspended publication in January, 1958; now published on a weekly basis as The Worker.

Friends of the Abraham Lincoln Brigade (Guide, p. 40)

Institute of Pacific Relations (Guide, p. 45)

Joint Anti-Fascist Refugee Committee (Executive Order 10450)

Labor Research Association, Inc. (Executive Order 10450)

Labor Youth League (Executive Order 10450)

National Council of American-Soviet Friendship (Executive Order 10450)

National Emergency Conference for Democratic Rights (Guide, p. 62)

National Lawyers' Guild (Guide, p. 64)

National Negro Congress (Executive Order 10450)

Soviet Russia Today (Guide, p. 108)

Suspended publication in March, 1951; now published under title of New World Review.



51  
(F) FUNDS AND FOUNDATIONS - CENTRAL RESEARCH MATTER -- Cap-  
tioned monograph is a study of those funds and foundations  
having an actual--or potential--influence upon the internal  
security of the United States and the foreign policies of  
our Government. It includes a brief history of the development  
of charitable foundations as they exist today, an analysis  
of their wealth and influence, and the subversive or questionable  
causes in which a number of them have invested their tax-  
exempt funds. It should be added to your field office library  
and afforded the usual security precautions. It will be  
forwarded under separate cover.

10-6-59  
SAC LETTER NO. 59-58

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 8/26/83 BY SP8 BTJ/clg

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220 OCT 13 1959

ORIGINAL FILED IN 66-54-2 (183)

113  
69 OCT 11 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: October 28, 1959

FROM : SAC, Birmingham

SUBJECT: MONOGRAPH NO. 59  
ENTITLED "FUNDS AND FOUNDATIONS"

This Monograph, dated October, 1959, has received numerous favorable comments in the Birmingham Office, and I feel personally that it represents an exceptionally fine handling of a hitherto unexploited field. In plain and understandable language, it outlines the description of the Funds and their activities and will assist us considerably in our investigations insofar as evaluation of information we receive regarding the Funds.

The high caliber of this Monograph is to be commended and is typical of the type of contribution that has been received in this regard in the past.

3-Bureau  
1-Birmingham  
CMK:rlg  
(4)

REC- 94

15 OCT 30 1959

62 NOV 19 1959

UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. A. H. Belmont *also*

DATE: January 26, 1960

FROM : W. C. Sullivan *WCS*SUBJECT: ~~ROCKEFELLER BROTHERS FUND~~  
~~STUDY ON U.S. FOREIGN POLICY~~  
~~CENTRAL RESEARCH MATTER~~

Tolson	_____
DeLoach	_____
Mohr	_____
Parsons	_____
Belmont	_____
Callahan	_____
DeLoach	_____
Malone	_____
McGuire	_____
Rosen	_____
Tamm	_____
Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

Reference is made to the enclosed newspaper clipping from the Valley Times which reported on the Rockefeller Brothers Fund Report on Foreign Policy and about which the Director asked if the Report had been reviewed.

The report referred to was issued December 7, 1959, by the Rockefeller Brothers Fund Special Studies Project and was titled "The Mid-Century Challenge to U.S. Foreign Policy." It is the fifth in a series of studies and was published by Doubleday and Company, Incorporated. A copy of the report is enclosed.

The report represents the result of a self-described effort "to assess the major problems of foreign policy over the next decade." The need for such an assessment, according to the report, stems from the fact that our current foreign policy jolts along on a day-to-day basis from crisis to crisis. The report advocates the development of long-range planning based on a total perspective of growing world problems.

The report is largely a rehash of issues which have been debated at length already. It starts with the agreeable premise, for example, that to be on sound grounds internationally, we must put our own national house in order. It points to the growing problems in the social, economic, and political upheavals in Latin America, Asia, and Africa and calls for increased aid to those areas with no strings attached.

The most important aspect of the study concerns Communist China. The report singles out that country as an awakening giant which has made this country its primary enemy and which is embarked on a course that, historically, has led to aggression. The situation, according to the report, calls for a greater knowledge of what Communist China is and where it is headed.

CDB:aml

(6) *Amel*

Enclosures

ENCLOSURE

- 1 - Section tickler
- 1 - C. D. Brennan
- 1 - Mr. Belmont
- 1 - Mr. Parsons
- 1 - Mr. DeLoach

ENCLOSURE ATTACHED

REC- 69

16 JAN 28 1960

CENTRAL RESEARCH

69 FEB 3 1960

RECORDED COPY FILED IN 100

Memorandum to Mr. Belmont  
Re: Rockefeller Brothers Fund  
Study on U. S. Foreign Policy

Without saying so directly, the report implies that we must afford Communist China diplomatic recognition and cease opposing its entry into the United Nations.

The essential nature of the report is seen in what may be regarded as its over-all solution to the current problems. It calls for an increased awareness on the part of the general public to the problems confronting us as a Nation so that foreign policy may be formulated on the long-range basis of national purpose flowing out of the public's knowledge of the threats facing us and what must be done to meet them.

While the report appears unlikely to make any direct impact on the general public, it may assume growing importance in another respect. It constitutes a powerful weapon for Democrats to use in this politically important year. Immediately after its issuance, for example, Harry Truman, Dean Acheson, and Hubert Humphrey hailed it as full of "solid wisdom." Their acclamation of it may have been based, however, more on the fact that, criticizing as it does aspects of our present foreign policy, it makes a good political weapon.

If the Democrats use the report extensively this year as a political weapon, their references to it may have impact on our international dealings. The implication advanced in the report, for example, that we must afford Communist China diplomatic recognition and cease opposing its entry into the United Nations may receive impetus and gain increasing support. Such an eventuality provides an excellent example which serves to illustrate the point made in the over-all study on Funds and Foundations we prepared last year, pointing out that they can have a decided impact on both our national and international development through the work they do.

RECOMMENDATION:

For the information of the Director.

FRIDAY, C. 11, 1959

## GEORGE TODT'S OPINION



### Warned On Asian Communism

"Which I wish to remark—  
And my language is plain,—  
That for ways that are dark  
And for tricks that are vain,  
The heathen Chinese is peculiar."

BRET HARTE — Plain Language from Truthful James.

According to the newly released Rockefeller Brothers Fund Report on Foreign Policy—all 74 pages and 30,000 words of it—we had better keep a wary eye cocked in the direction of an erstwhile sleeping giant, Red China.

Speaking very frankly, the astute findings of the distinguished committee involved in the studies indicate that the boys from Peiping are hell-bent down the course of aggression — and the United States is its bogey-man.

In succinct language, the report states that Red China's "overriding political and strategic aim is undoubtedly to undermine American influence, to separate the United States from its friends and supporters in Asia, and to force the withdrawal of U. S. defensive forces."

We have been nominated and elected by acclamation to be the "supreme enemy, the one major obstacle" of the present Red Chinese regime—the one which numerous soft-headed pseudoliberals out in left field advocate increasingly that we should "appease" by bringing it into the United Nations, thus gaining it a measure of semi-respectability through "guilt by association" processes, perhaps.

What sensible person might imagine that barbaric Red China would be any more amenable to the influence of civilization and culture inside the U. N. than out of it?

Would Tibet have been any less another Hungary if Mao Tze-tung had been invited to address the General Assembly in New York?

Is the Communist cult of murderers, with all its international conspiratorial ramifications, going to yield to sweetness and light through being granted membership for Red China in the U. N. Club?

Actually, we would gain little for the processes of Western civilization by admitting this known enemy into a group where the Communist influence already causes us too much woe for our comfort.

Why double its powerful influence, then?

It seems to me that anyone who pleads Red China's case in any particular ought to be stamped as one who does our country a grave disservice. Who fit themselves into such a category?

One very interesting passage from the Rockefeller Report pertains to current Soviet Russian tactics on the world stage, as follows:

"If Soviet aims were merely greater economic welfare for itself and for its neighbors, it might be a cause for rejoicing. In fact, however, supported by propaganda, infiltration and subversion, aided by the implied threat of its military power, the Soviet regime gives every evidence that it hopes to expand until it has gained a clear preponderance of power in the world."

Those who expect the Red leopard to change its spots can also expect to hear a shrimp whistle, to paraphrase Mr. Khrushchev.

The part of the report prepared under the sponsorship of the Rockefeller Brothers Fund which I liked best was one which touched on the domestic front—and it is vital to our future as a great nation. This is it:

In dealing with the development of foreign policy within the U. S. government, the report repudiated all arguments that foreign policy is somehow too complicated and remote for understanding by the citizens of our republic.

It was made eminently clear that the role of leadership is to determine the issues of public discussion and recommend lines of action so that discussion can be relevant to possible solution.

Said the Rockefeller Report: "If the role of leadership is not adequately fulfilled, public discussion is left with little other function than attack or criticism . . ."

This column has long supported the concept that an adequately informed public should make its voice heard in the formation of national and foreign policy.

The voice of the people, bulwarked behind intelligent and down-to-earth moral concepts, reason and patriotism is still the Republic's first line of defense in these trying times in which we live today.

Let's speak out according to our conscience now. Why not?

*I have reviewed a copy of this Report.*

ENCLOSURE

REC- 69

*62-105767-44*

16 JAN 28 1960

*Hollywood* VALLEY TIMES  
North Hollywood, Calif.

*Have You Read These Other Rockefeller Panel Reports?*

**International Security:**

**The Military Aspect**

**50¢**

"... one of the most thorough and solemn analyses of the West's security problems produced since the war."

James Reston, *New York Times*

**The Challenge to America:  
Its Economic and Social Aspects**

**75¢**

"... a remarkable document which deserves the close attention and study of all thinking citizens ..."

*New York Times*

"... intelligent capitalism at its finest."

*New York Herald Tribune*

**Foreign Economic Policy  
for the Twentieth Century**

**75¢**

"... throws some fresh, creative ideas into the public hopper ..."

*Des Moines Register*

"... a powerful and very timely appeal for establishment of a new 'economic structure' for the free world ..."

*Washington Star*

**The Pursuit of Excellence:  
Education and the Future of America**

**75¢**

"... provides a vital resource of ideas and insights ..."

*Saturday Review*

"... may start a new era of educational theory and action in America."

*New York Post*, Max Lerner

75c

**THE ROCKEFELLER PANEL REPORT  
on U.S. Foreign Policy**

**The Mid-Century  
Challenge  
to**

**U.S. Foreign Policy**

**Special Studies Project Report I  
Rockefeller Brothers Fund**

**AMERICA AT MID-CENTURY SERIES**

America at Mid-Century Series

THE MID-CENTURY CHALLENGE  
TO  
U. S. FOREIGN POLICY

PANEL I REPORT  
OF THE  
ROCKEFELLER BROTHERS FUND  
SPECIAL STUDIES PROJECT

*(This report is the fifth of a series.)*

Published by  
DOUBLEDAY & COMPANY, INC.  
GARDEN CITY, NEW YORK  
1959

62-105767-4

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Rockefeller Brothers Fund, Inc.  
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take hold of the human mind, changing the atmosphere in which all decisions are reached.

Many additional developments are afoot which contain within themselves the possibility of redirecting the stream of international events. We are at the point where several revolutionary developments merge and overlap. Scientific progress, the industrialization of hitherto underdeveloped countries, the growth in populations, combine to give their special cast to affairs. New regional and international structures, as well as new situations within the Communist world, are unfolding rapidly.

In the light of these conditions, the American people cannot afford to let short-range considerations preoccupy them to the exclusion of a long view and a total perspective on world problems. To deal courageously with the problems of the cold war and still to see and act beyond them—this, we submit, is the need of foreign policy today. It is the basic challenge before us all. The United States has been jolting along from crisis to crisis, viewing foreign policy, as a rather unpleasant device for warding off threats all over the world. Bold action has too often been conceived as little more than putting Russia in a superficially embarrassing or awkward position. The fateful rivalry of the cold war may persist for a long time; nevertheless, this is an incident in a far greater world drama. We cannot escape—and indeed should welcome—the task which history has imposed on us. This is the task of helping to shape a new world order in all its dimensions—spiritual, economic, political, social.

There is the challenge. There also is the hope and the practical possibility. The men and women of our generation should know they have the chance to do something daring and creative. They are not prisoners of history; they do not have to walk a treadmill without alternatives or choices. They do not have to reconcile themselves to the loss of any value they hold dear. They can, on the contrary, hold reasonably in their minds the most ancient and the newest of all earthly visions: a peaceful world with justice and well-being for all.



PUBLISHERS PRINTING-ROGERS KELLOGG CORP.  
LONG ISLAND CITY 1, N. Y.

# The Mid-Century Challenge

to

## U. S. Foreign Policy

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This is not to say that the problems of World War II have been liquidated or to suggest that the experience of those who have lived through the trials and controversies of the last two decades is not an indispensable ingredient of policy. It would be all too easy for those who come onto the stage at this time to minimize the difficulties of dealing with the Soviet dictatorship, to give too little weight to the long train of deceptions and frustrations which has made American negotiators of necessity tough, suspicious, and insistent on guarantees of compliance. Yet, not inconceivably, new points of common interest, as well as new symptoms of danger, could reassert themselves. Understanding will require of Americans not only alertness but a living knowledge of history.

A public is now being formed which looks beyond the unsolved problems of a past generation. The interests of this new public are with the present; its emotional detachment from the problems of World War II and its immediate aftermath is bound to affect the tone of the future. If that is true in our own country, it should not be overlooked that the same thing is occurring in other countries as well.

Invariably in such a changeover of generations the old subjects of controversies persist, but somehow the words—and even the issues—begin to cloak a new meaning. The best minds among the older generation perform the exceedingly difficult task of using old phrases while maintaining a clear understanding that the underlying substance has altered. Younger men, for whom the changed meaning tends to be the one chiefly grasped or understood, have the more difficult obligation to keep alive the awareness of continuity. As the residues and overtones of the earlier condition begin to fade, a new condition takes shape. It is more radically new, more fundamentally different, than the content of public discourse would by itself indicate.

Many problems now under discussion date from the end of World War II. But beneath the surface new factors and conditions have since come into play. Men and women on both sides of the Iron Curtain find themselves thinking in terms of the present and the future, though the arguments are cast in the form of precedents going back many years.

While old things thus develop new purposes and meanings, some genuinely new things enter the world situation. A generation which thinks in terms of the vast distances of space cannot but have a somewhat different outlook upon some of today's insoluble problems. The stubborn and familiar issues of the postwar era must appear in a fresh perspective to men who are to look upon the round globe from the void which surrounds it. Gradually, almost imperceptibly, a new perspective may thus

## VIII—On Entering a New Phase

In the affairs of nations there are moments when the substance of things undergoes a subtle change. Events and upheavals which shake the surface may have already occurred; but men suddenly become aware of forces at work on a deeper level. They sense instinctively that henceforth the direction of things will be altered.

This panel is convinced that such a change is now coming over the international scene. It is bound to affect the foreign policy of the United States. That policy, we believe, is entering a new phase, keyed to themes and interests which have not yet received general recognition.

The precise formulas and policies of this phase cannot in the nature of things be immediately discerned. A whole generation will be concerned with working out these policies—finding the means to deal effectively with the cold war in which we are now necessarily engaged and to proceed to measures adequate to cope with a world stage enlarged and made more complex by emerging forces and peoples coming newly into their own. The task of statesmanship in the next decade must be to define with fresh clarity the purposes which the United States wishes to achieve. To this end it must reinterpret existing policies as well as devise new ones.

This process is already overdue.

Fourteen years have now passed since the end of World War II. This is a long time, if not in terms of history, at least in terms of the life of a generation. When a similar period had passed after World War I, the United States was approaching the end of the Harding, Coolidge and Hoover eras and was embarking on the New Deal. Those who were coming of age in the thirties will bear witness to the fact that the First World War did not then loom very large in their minds. The fight over the League of Nations seemed, for instance, a remote historical event. The generation now entering college must find it hard to concern itself in any more serious way with episodes so important and so comparatively recent as Yalta, the civil war in China, or the Czechoslovakian coup; at best these are historical incidents, remote from personal experience.

## Foreword by the Overall Panel

*The issues of foreign policy—comprehending the ultimate questions of war and peace, indeed the very survival of our civilization—must be the concern today of every citizen of our Republic.*

*This report, part of the Special Studies Project of the Rockefeller Brothers Fund, Inc., is an attempt to assess the major problems of foreign policy over the next decade, as they appear to one group of citizens. They are problems of great delicacy and complexity. Unlike most of those in the realm of national policy they often depend for their answer upon the actions of other nations besides our own. Our own citizens can determine upon many specific lines of action in the management of our domestic affairs. But they cannot in the same way assert, for example, that we shall have peace or disarmament. These are part of vast and complex reciprocal relationships, not readily subject to simple resolves or single-handed decisions.*

*For these reasons, this report tries to state the philosophy and aims of American foreign policy, avoiding specific recommendations where they would tend to oversimplify issues.*

*New forces, new interests, a new generation, are all urging the statesmen of this and other countries to look to the future. This report urges a foreign policy which seeks to shape events and is responsive to a world undergoing profound and rapid change.*

*The goal of American foreign policy, the panel submits, should be a world order in which all nations can find their needs fulfilled, and all peoples can find the requirements for a life of hope and well-being. The nature of this world order is not a rigid apportionment of power, nor a universally accepted way of life. It is a community of diverse peoples, cemented by a recognition of law, resting upon a wide range of regional and international institutions.*

*Hostile confrontation of the free nations by Soviet Russia and Communist China exists as a cardinal fact. It requires the most determined and the most resourceful action if it is not to bring about an undermining of the free world or to break out into armed conflict. Yet apart from the Sino-Soviet threat there are grave problems which the free nations would neglect at their peril.*

*Had the Russian and Chinese Revolutions never taken place, there would still have been challenges more formidable than it is the lot of most generations to face. The basic changes in the world order, the rise of fierce national sentiments just as the ideal of self-sufficient nationhood is losing much of its validity, the economic and technological revolutions, the growth of populations and of racial tensions—these by themselves would have presented statesmen with vast problems. On top of them has come the new age brought in by the splitting of the atom; and communism has been added to the fateful brew. The contrast between the rich and the poor nations, still widening at mid-century, sums up in itself tensions and turbulence in store for the world, unless bold measures can be taken in concert by all the nations.*

*This report follows, and in some aspects sums up and expands, four other reports issued as part of the Special Studies Project. These earlier reports have dealt with national defense, foreign economic policy, the national economy of the United States, and problems of education and talent in our democracy. The present report will be followed, in turn, by discussions relating to the democratic process and the moral framework of national purpose.*

*This report on foreign policy was, like the others, shaped in discussions by a special subpanel; it has been carefully reviewed at various stages and in its completed form by the whole group. Not every member of the Overall Panel endorses every detail of the report which follows, but all of us have approved its substance.*

LAURANCE S. ROCKEFELLER, president, Rockefeller Brothers Fund, Inc.; chairman of the panel.

ADOLF A. BERLE, JR., senior partner, Berle, Berle and Brunner; former Ambassador to Brazil and Assistant Secretary of State.

CHESTER BOWLES, Member of Congress; former Ambassador to India and Governor of Connecticut.

ARTHUR F. BURNS, president, The National Bureau of Economic Research; professor of economics, Columbia University.

Constitution because it is convinced that significant improvements can be effected within the existing basic law. The form of the appropriate arrangements and procedures—whether through the creation of a Joint Commission, or otherwise—the assignment of tasks, and the action to be taken upon recommendations would require negotiated agreement, on a nonpartisan basis, between the Executive and the Legislature. There are obvious difficulties, but the panel believes that they are small when measured against the necessity for more effective procedures in the conduct of our foreign relations in the years ahead.

position to identify and explain to the public those large issues where popular judgment and support is vital.

## E. EXECUTIVE-LEGISLATIVE COOPERATION

In addition to the office of Secretary of State, the relation between the executive and legislative branches needs to be reconsidered. The outlook for American foreign policy must take into account the special complexities of the American constitutional and political system. It was deliberately devised to provide a large measure of individual freedom in the citizen's relation to public power. Although it has proved itself capable of considerable adjustment its primary characteristics have survived and Americans would not wish to revise it in any fundamental way. The separation of powers between the federal and state governments and the checks and balances within the federal government itself have two major consequences in the conduct of foreign relations. The first is that the United States can act effectively and persistently only upon the basis of a broad consensus among both citizens and public servants; the second is that the processes by which we arrive at national policy and specific decisions are complex, slow and unsophisticated.

There is reason to believe, nevertheless, that there is serious concern in both the executive and legislative branches as to whether the federal government is properly organized to conduct the nation's business in the foreign policy field during, say, the next quarter century. But neither the Executive nor the Congress, acting alone, is likely to be able to effect significant improvement. The problem encounters sensitive questions of constitutional prerogative on both sides and it is asking too much to expect those who have been entrusted with these prerogatives to yield them lightly. Nor is there in the American scene a recognized collection of wise and experienced men whose advice on such matters would elicit the respect and attention of the public and its official servants.

The panel believes that there would be merit in the establishment of appropriate arrangements and procedures, by agreement between the Executive and Congress, for joint study and action on the organizational and procedural aspects of foreign policy. What is needed is a serious and thoughtful consultation on constitutional arrangements between the executive and legislative branches. The panel believes that such a joint study should consider improvements which do not involve amendments to the

LUCIUS D. CLAY, general, U. S. Army (ret.); chairman, Continental Can Company, Inc.; former commander-in-chief, U. S. Forces in Europe and Military Governor, U. S. Zone, Germany.

JOHN COWLES, president, Minneapolis Star and Tribune; chairman, The Des Moines Register and Tribune.

JUSTIN W. DART, president, Rexall Drug and Chemical Company.

JOHN S. DICKEY, president, Dartmouth College.

JOHN W. GARDNER, president, Carnegie Corporation of New York; president, Carnegie Foundation for the Advancement of Teaching.

LESTER B. GRANGER, executive director, National Urban League, Inc.

CARYL P. HASKINS, president, Carnegie Institution of Washington.

THEODORE M. HESBURGH, president, University of Notre Dame; commissioner, Civil Rights Commission; member, National Science Board; permanent delegate of Vatican City to the International Atomic Energy Agency; member, Advisory Committee, United States Committee for the United Nations.

MARGARET HICKEY, public affairs editor, Ladies' Home Journal.

OVETA CULP HOBBY, president and editor, The Houston Post; former Secretary of Health, Education and Welfare and director of the WACS.

DEVEREUX C. JOSEPHS, former chairman, New York Life Insurance Company.

MILTON KATZ, director, International Legal Studies, Harvard University Law School; former Ambassador and chief in Europe of the Marshall Plan.

JAMES R. KILLIAN, JR., chairman of the corporation, Massachusetts Institute of Technology; former special assistant to the President for science and technology.

HENRY R. LUCE, editor-in-chief, Time, Life, Fortune.

THOMAS B. McCABE, president, Scott Paper Company.

JAMES McCORMACK, major general, U. S. Air Force (ret.); vice president, Massachusetts Institute of Technology; former director of research and development, U. S. Air Force; former director of military applications, Atomic Energy Commission.

RICHARD P. McKEON, Department of Philosophy, University of Chicago; former member, United States delegation to the General Conferences of UNESCO and United States National Commission for UNESCO.

LEE W. MINTON, president, Glass Bottle Blowers' Association of the United States and Canada.

CHARLES H. PERCY, president, Bell and Howell Company; trustee, University of Chicago; member of the board, Committee for National Trade Policy; chairman of the board, Fund for Adult Education, Ford Foundation.

JACOB S. POTOFSKY, general president, Amalgamated Clothing Workers of America.

ANNA M. ROSENBERG, public and industrial relations consultant; former Assistant Secretary of Defense for Manpower and Personnel and member of United States National Commission for UNESCO.

DEAN RUSK, president, The Rockefeller Foundation; former Assistant Secretary of State.

DAVID SARNOFF, chairman of the board, Radio Corporation of America.

CHARLES M. SPOFFORD, partner, Davis Polk Wardwell Sunderland and Kiendl; former permanent representative to NATO.

EDWARD TELLER, professor of physics, University of California, Berkeley; associate director, University of California Radiation Laboratories; director, Radiation Laboratory, Livermore.

FRAZAR B. WILDE, president, Connecticut General Life Insurance Company; chairman, Commission on Money and Credit.

ROBERT B. ANDERSON, resigned from the panel when he was appointed Secretary of the Treasury. GORDON DEAN, senior vice president—nuclear energy, General Dynamics Corporation, was a member of the panel until his death, August 16, 1958. NELSON A. ROCKEFELLER, resigned from the panel on May 26, 1958. HENRY A. KISSINGER, associate director of the Center for International Affairs, Harvard University, was Director of the Project until June 30, 1958, during the development of background material for this report and was consulted in the preparation of the document.

and their culture. Such a notion could only have arisen among a people that had not been drawn fully into the making of foreign policy, and did not understand its significance in the modern world.

The same basic lack of comprehension which has deprived the foreign service of vital support has acted, also, to make the Secretaryship of State an almost impossible office in this country. The public has tended to be mistrustful of the Secretary of State, whatever his political party or whatever the actual policies he has pursued. It has condemned him to spend a disproportionate amount of his time and energies in explaining and justifying his course. It has thus exacted a toll of his vital spirits and of his capacity for objective thinking which can ill be spared in the harsh contest with the Soviets.

These results have come about in part, we believe, because the right relation between public participation and official leadership had not been clearly enough worked out. The public has felt itself excluded from its full and rightful share in foreign policy. It has vaguely supposed that the Secretary of State was usurping its prerogatives—shaping a policy not readily comprehensible and not in line with its largest interests. Hence its suspicion and its ever-ready disapprobation.

The American Secretary of State has had his relations with the public further complicated, and his role in shaping of policy weakened, by the heavy and often conflicting demands which in recent years the office has exacted. The Secretary of State has tried to be an administrative officer, to carry on detailed negotiations in different parts of the world, to be a trouble-shooter at various spots of tension, to be the country's representative at innumerable international conferences and its spokesman in the major debates of the United Nations. He is accountable to Congress and to the public through press conferences and constant questioning by Congressional committees. Finally, he is in constant negotiation with powerful domestic agencies in the fields of military power, economic development and information. It has been difficult, in the midst of all this, for the Secretary of State to give to over-all policy that continuous thought and attention which diplomatic strategy requires in a world so essentially interrelated, where every problem touches every other.

We believe it is of the utmost importance that the task of the Secretary of State be defined so as to permit concentration upon policy at the highest level. As a result there would be restored to diplomatic representatives on the spot the responsible function they have been in danger of losing. The Secretary of State, meanwhile, would be in a

## D. THE AGENCIES OF FOREIGN POLICY

It can be said, therefore, that the public has not been excluded by the emphasis of the modern state upon foreign policy. On the contrary, it has been given a newly indispensable role. In perceiving that it is not expected to intervene everywhere and at every point in diplomatic maneuvers, the public can gain confidence and scope so as to intervene decisively where its judgment and moral perceptions are required. It is then in a position to set goals, to choose between alternatives—above all, to give to negotiation the substantive content without which it becomes sterile or dangerous bartering. Only when it has seen afresh in an age of great issues the nature of an effective foreign policy can the public be in a position to sustain the personalities, agencies and institutions through which foreign policy is conducted.

In a mature democracy the Department of State and the Foreign Service require a degree of popular support which has not been regularly forthcoming. The stereotype of a foreign service officer as a man in striped pants who trades secrets at cocktail parties has, happily, been modified in recent years. But the public does not yet have a full sense of the skill, dedication and often selflessness which are asked of representatives in this field. It still does not set as high a value as it should upon the role of these officials.

A democracy cannot afford to provide them with careers—in terms of opportunity for promotion and in terms of pay—which fall short of the highest careers of public life. The barring of top diplomatic posts to men not endowed with private wealth must be corrected. Ample salaries and allowances for living and entertainment are provided out of public funds by nations far less rich than the United States. The primary quality for appointment should be excellence, and means must be found to assure that excellence is not barred for any reason.

The challenges which should bring the best men into the parts of the government concerned with foreign policy must be operative, too, in many fields of private activity. The positive foreign policy which this report has stressed cannot be effectuated unless men and women in large numbers are prepared to undertake the hard work and often the considerable personal sacrifices which foreign assignments entail. Or, let us say, rather, "which foreign assignments should entail". For too often it has been supposed that tasks in the service of the nation can be carried out lefthandedly, with no real effort to enter into the lives and the thoughts of other people, without speaking their language or knowing their history

## Introduction by Panel I

*The world is going through a period of profound and rapid change, placing upon men and nations unusual strains which will endure as far as we can see into the future. After the burst of energies now loosed in all realms of life—in basic discoveries, in technology, in population growth, in human expectations—the tide may abate and future generations may be able to settle down to consolidate and enjoy their gains. Or it may be that the wave of change is cumulative and will demand of men hereafter an adaptability and resourcefulness such as we can now only dimly imagine. For the living generation and its children, the question is not relevant. We shall spend our lives in the midst of change. We shall do well—indeed, we shall survive—in proportion as we can understand what is going on in our civilization, can in some measure adjust ourselves to it and in some measure shape it.*

*In the order of things with which foreign policy is concerned, the change manifests itself in many ways. The old system of empire through which much of the world was governed for at least a century—its commerce sustained, its differences adjusted, its peace in the main preserved—has broken down irreparably. The balance of power in its older forms no longer exists. Many new nations have arisen on waves of nationalist feelings, just when older nations have begun to sense from their own experience that nationalism is rapidly changing in nature. World powers have come freshly on the stage; but the nature of power under modern conditions has been so suddenly and basically transformed that the newcomers alternate between feeling themselves capable of unprecedented achievements and feeling themselves confined and lacking in essential means to satisfy their needs.*

*As in other fields of modern life, changes in foreign policy go far deeper than working out novel arrangements or combinations. Statesmen discover that they are not merely making different moves upon an old chessboard. The rules of the game have changed. The chessboard itself may be said to have disappeared. Nations and alliances, spheres of interest and balances of power, appear in new forms. The present competition between the Soviet dictatorship and the United States is essentially different from the traditional concept of balance of power. NATO has features which set*

*it apart from military alliances as they have formerly existed. Even the distinction between a state of peace and war has been blurred by new forms of national conflicts which do not seem to have the aspects or consequences of either. In result, words which form the vocabulary of historic diplomacy—sovereignty, independence, neutrality, nonintervention, internationalism—describe only imperfectly the actualities to which they refer.*

*To get changes recognized, to inject new facts into the political process, are recognized tasks of statesmanship. At present these tasks are formidable. Policies lag behind awareness; awareness lags behind the constantly evolving reality. Even responsible leaders find it hard to adjust their minds to the existing, but rapidly passing, state of things. The public at large, disturbed by recurrent crises, often indifferent or poorly informed, thinks in terms of the past decade or even century—when any one year brings changes enough to require a review of policy. As a result, the image of the world existing in the public mind is often strangely unreal. Lacking a secure footing in reality, men tend to project themselves into a nonexistent future or else into an irretrievable past.*

*The need to shape valid policies, fitted to present realities and sensitive to coming changes, falls at a time when questions other than those in the realm of foreign policy are gaining ascendancy in the minds of men. Beneath the threat of total destruction there is growing everywhere hope of unprecedented gains in standards of living, providing not merely material advantage but the basis for a more worthy existence. Peoples long without a decent share of the good things of life begin to make their wants felt. The "rising expectations" which supply so considerable a part of the revolutionary ferment of the modern age exist as strongly in rich as in poor nations. New vistas of opportunity unfold, and amid the preoccupations thus engendered, foreign policy is bound to take on a new tone and character.*

*That such bright prospects should exist side by side with the grim portents of the new weapons of destruction gives to this age a special poignancy. It could be said that modern life thus acquires a quality quite its own—except that a like quality is known to all ages which, through religious faith, have deeply apprehended as reality both heaven and hell. In terms of foreign policy, as we shall point out in this report, the rising hopes for domestic prosperity put certain definite challenges to the United States. For the moment,*

The danger, as we see it, is that negotiations carried on by professional diplomats (as they must be) and conducted (as again they must be) with a certain measure of sustained privacy, will decline into a sterile bargaining. In such circumstances, substantive goals tend to be forgotten. Moral convictions begin to fade. Then one of two things happens. Either the negotiations become hopelessly stalemated, with propaganda their only function; or else a settlement becomes in itself an objective, regardless of its content and consequences.

Long-range negotiations without substantive goals give to the adversary the opportunity of setting the terms and inviting the other side to meet him half way. The terms may be exorbitant, and their reduction in the course of diplomatic bargaining may still leave the agreement quite unrelated to justice or good sense. It may also leave it unrelated to stability. The latter point may be the more difficult to grasp, for stability often seems to rest with the other side's feeling satisfied. But there can be no satisfaction, no repose and no peace, where the communist side has the feeling that it can set high terms and invariably get a good portion of what it asks for.

The need for substantive goals is particularly true because of the difference—too often unnoticed—between negotiations among friendly powers and negotiations with a power implacable in the pursuit of its own interests. Among friendly powers common objectives can be assumed; the problem of negotiation is a technical one; namely, to achieve a goal upon which all are agreed. But in such a situation as prevails when the United States faces the Soviet government across the bargaining table, the latter has its own clear long-range aims. Unless the U. S. representatives are equally lucid about their objectives and purposes, they will find that negotiations are fruitful neither in reaching accord nor in avoiding the sacrifice of important interests.

A slow attrition of interest can be avoided only when the national objectives are clearly defined, when the debate is initiated by responsible leadership and carried forward through the processes of a vigorous public opinion. This may be considered taking the initiative on foreign affairs. It is indeed the way in which the initiative is really meaningful: not as a propaganda device for embarrassing the Soviet government, but as a means of putting the discussion in a frame of reference which protects and tends to enhance our own largest interests. The goals can thus become a matter of public knowledge and profound national conviction. The steps in the negotiations, meanwhile, can be surrounded with the privacy which is essential to serious and responsible dealings between nations.



Candor in regard to atomic weapons or other grave matters is often identified with a policy of scaring the citizens out of pleasure-seeking and complacency. But this is only a small part of what we mean by candor. The essence of it is a full and frank unfolding of knowledge and its analysis *in relation* to the policy alternatives which are feasible and in the realm of acceptability. The democratic process is not necessarily furthered when, for example, bald figures are released upon estimates of the number of casualties in an atomic bombing of the United States. Such information by itself may merely inhibit the responsible functioning of public opinion. Democracy begins to be fulfilled only when the country's leaders present in all their dimensions such problems as the level of conventional armaments or civil defense and at the same time make recommendations for action. Then the problem becomes comprehensible. It can be faced, it can be debated, and a tolerable solution can be reached.

We have said that there are comparatively few real or relevant secrets withheld from the public. Nevertheless, there has grown up a tendency toward secrecy within certain elements of the government, and this has helped create in the public a feeling that it is cut off from vital information. Admitting necessity for secrecy in certain military and diplomatic affairs, we feel that, when there is doubt, the balance must go in favor of revealing information. The open world which this report makes one of its basic objectives can hardly flourish if there is an unnecessary tendency toward restrictions at home. The freest possible intellectual exchange means, among other things, exchange between the government and its own citizens.

### C. THE PUBLIC AND NEGOTIATIONS

The importance of the kind of leadership that sets the framework of debate is particularly important because of the long negotiations in prospect between this country and the Soviets. These negotiations are essential. They will provide, it may be hoped, opportunities for genuine accord as time and circumstances bring the interests of the two countries into conformity at limited but important points. But such negotiations, protracted and continuous, could give a dangerous bias to the foreign policy of the United States unless led with firm convictions and backed by an enlightened public opinion.

*it is enough to suggest that the forces of change running through the world have a different dimension than that immediately evident to statesmen and diplomats. Not only are forms of international life in the crucible, but even the texture of men's individual existences, the pattern of their hopes and the scheme of things they live by. Out of new plenty they are resolved to make a new civilization, using production as a means to a better life for all.*

*In these circumstances, we believe the United States can well make a fresh appraisal of its foreign policy. This report, the result of a group effort by Panel I of the Special Studies Project, reflects our substantial agreement, though not every member of the panel subscribes to every detail. The report looks to the future, sometimes trying to see forward for the next ten years, sometimes beyond. Given the pace of events, only by trying to look ahead can one hope to hit the target of the present. It is not the purpose of this report to grapple with a large number of specific situations which are now the concern of officials responsible for day-to-day decisions.*

*The report attempts, therefore, to indicate directions and priorities. It may suggest considerations which the policy maker in office may be too constrained or too harried to weigh; it may open minds to the possibilities of the future. No one who tries to look even ten years ahead can expect not to be very often wrong. But it is certain that one would be fatally wrong if he failed to look ahead, assuming that the present foreign policies of the United States are fixed and permanent. What do remain fixed are American ideals and values. Foreign policy seeks to give these reality. In so doing, it will in the years ahead surely call for the most sustained and concerted efforts by the American people.*

\*DEAN RUSK, president, The Rockefeller Foundation; former Assistant Secretary of State; chairman of Panel I.

\*ADOLF A. BERLE, JR., senior partner, Berle, Berle and Brunner; former Assistant Secretary of State and Ambassador to Brazil.

HADLEY CANTRIL, chairman, The Institute for International Social Research.

SAVILLE R. DAVIS, managing editor, The Christian Science Monitor.

JOSEPH E. JOHNSON, president, Carnegie Endowment for International Peace.

MAX F. MILLIKAN, director, The Center for International Studies, Massachusetts Institute of Technology.

PHILIP E. MOSELY, director of studies, Council on Foreign Relations.

JOHN W. NASON, president, Foreign Policy Association.

\*JACOB S. POTOFSKY, general president, Amalgamated Clothing Workers of America.

JOHN D. ROCKEFELLER 3rd, trustee, Rockefeller Brothers Fund, Inc.; president, The Asia Society.

\*DAVID SARNOFF, chairman of the board, Radio Corporation of America.

\*CHARLES M. SPOFFORD, partner, Davis Polk Wardwell Sunderland and Kiendl; former permanent representative to NATO.

EDWIN F. STANTON, former Ambassador to Thailand; trustee, The Asia Society.

JOHN ANDREWS KING, JR., secretary, International Legal Studies, Harvard Law School; secretary of Panel I.

This report was written principally by Mr. August Heckscher under the direction of the panel. The panel appreciates the generous help of distinguished experts throughout the preparation of this report.

#### STAFF OF THE SPECIAL STUDIES PROJECT

Consultant to the Panel

August Heckscher, Director of the Twentieth Century Fund

Executive Secretary  
Nancy Hanks

John R. Kennedy

Sylvia Drucker

Annette Cossitt

James N. Drayton

Alison Mackenzie

\* Also Overall Panel members

with the basic facts and with the recommended course of action. Its judgment was sought on the great issues. In the long and complex negotiations with the prospective Marshall Plan countries, however, the public recognized that the determining role must be played by responsible officials acting in its interests.

If the role of leadership is not adequately fulfilled, public discussion is left with little other function than attack or criticism. Foreign policy inevitably has its failures; its results must often be long deferred or unknown. There is thus ample opportunity for partisan attack, and this will be taken advantage of if policy does not have deep roots in the public mind.

Effective leadership can alone counter the tendency to fatalism and indifference in issues related to war and atomic weapons. The popular inclination has been to leave these matters to experts or scientists, or to a President whom they trust to "take care" of them in the last resort. The people have not seemed able to convince themselves that these issues are manageable, preferring to ignore rather than grapple with such vague and terrifying obscurities. Yet in fact there is no essential difference between issues of this kind and any other. They have been made by men; they must be solved by men. What has made them seem different is that there has been public discussion with too little information for dealing with such large issues.

The obligation to give the facts upon these matters and others rests on the leaders today with a weight that has not existed previously. In most epochs, and certainly in the formative periods of American democracy, the public official and the citizen were presumed to be acting on the same basic knowledge. The gap between what the outsider and the insider knew was small or nonexistent. That is not so true any longer. The government may have fewer relevant "secrets" than is commonly supposed, but it is possessed of information more voluminous and detailed than the average citizen can possibly appraise or absorb. The roots of the democratic process are weakened where the citizen gets the feeling that he is unable to form an intelligent judgment.

Thus there has come into the practice of democracy a genuinely new duty, too rarely grasped in its full implications. This may be called the duty of candor. What was formerly a private virtue of the responsible leader has become a grave public necessity. Its exercise is to be demanded by a citizenry which knows its own rights. It is a duty lying upon the leaders of a modern democracy as heavily as the reciprocal duties of attention and awareness lie on the citizens.

known facts must form the basic of decision; granted the high degree of objectivity and consistency which is required in effective foreign policy—still it seems incontrovertible that the citizens of a democracy have a genuinely creative role to play in this area. We know from American experience how often in great matters they have been ahead of their leaders in willingness to see the facts and to accept the course required of them. We know how the world has been drawn together by immediacy of communication and the tightly woven web of common interests. Almost no domestic issue today can be discussed without relating to the needs of foreign policy. The citizen who decides wisely in regard to what concerns himself and his own needs must be capable of wise decision, also, in regard to matters beyond the reach of firsthand experience.

As for the argument that foreign policy should be a revealed body of objective fact, self-evident once the experts have pronounced it, we do not accept that doctrine within the concept of foreign policy stressed in this report. Value judgments enter into foreign policy at crucial junctures. The ideals of the citizenry must constantly inform and guide it, or it loses its effectiveness and inherent power.

## B. THE ROLE OF LEADERSHIP

The real problem with regard to participation of the citizens comes, it seems to us, from significant failures and misconceptions in regard to leadership. Public opinion cannot operate in a disorganized and inchoate way on foreign policy; it cannot operate at all on certain phases of it, notably that of negotiation. What leadership must do—and what it has too often failed to do—is to determine the issues of public discussion. It must create the frame of reference within which popular choices take place and indicate the directions in which they lead. To say that there must be debate does not mean that everything must be debated all the time. For debate to be fruitful, policy questions must be posed in ways that permit relevant public judgments.

The promulgation of the Marshall Plan provides, we suggest, an example of the interaction between leadership and public opinion at its best. The public could not have been expected in such a case to take the initiative. That was done at the highest levels of the government, by officials acting in concert both with experts within the government and the leaders of the democratic community. The public was presented

# I—The Nature of Foreign Policy

The United States as it moves down the second half of the twentieth century finds itself in a world of great dangers and great opportunities. Through actions and choices in the field of foreign policy, the United States must come to terms with this world. It must show how it means to use the power which has been bestowed upon it, and how it can best live up to responsibilities which, sometimes in spite of itself, have been thrust upon it.

The panel is convinced that the foreign policy of the United States must be a positive force, helping in measurable ways to shape a world in which freedom is expanding and peace becomes the normal condition of men's lives. There have been times in the experience of the United States when its foreign policy seemed comparatively unimportant, and other times when it naively supposed itself capable at a stroke of making over the world in a utopian image. The present generation must establish a sane but imaginative concept of what foreign policy can accomplish and then go on and do the work which it will require.

## A. THE DEVELOPMENT OF AMERICAN FOREIGN POLICY

Alone among modern nations, the United States passed through a large part of its national existence without feeling itself actively and intimately involved with countries outside its borders. It lived and grew not recognizing itself to be part of any concert of nations. While the United States was expanding across the continent its statesmen believed themselves immune from the kind of problems that plagued the countries of the Old World.

Their predecessors, the men who had established the Republic and guided it through the first, dangerous epoch were not so innocent. They knew well enough that the sea was not an unbreachable barrier to conquest. *The Federalist* papers gave frequent warnings of involvement if the states should persist in going their separate ways. They saw the

states being drawn into conflicts with each other, and in turn drawing European countries into alliances with the separate groupings. The American statesmen of this classic period did not assume that adoption of the Constitution would by itself end danger of intrusions of foreign interest. The New World had been the object of imperial ambitions since its discovery; it would continue to be so except as a wise foreign policy made it secure.

The key to this security was, in their minds, a close affinity with the power which controlled the Atlantic approaches. To them, England might be an old enemy and a present source of annoyance. But it was also, regardless of its intentions or motives, an essential element in the nation's capacity to develop itself and reach its natural westward limits. Jefferson, while engaged in a war with England, could still express his concern lest Bonaparte should conquer Russia and then overcome Britain. This connection with Britain becomes clear in considering the Monroe Doctrine. Without the British fleet, Monroe's declaration to protect the Hemisphere against European imperialisms would have been merely rhetorical, a promise incapable of being made good.

What was evident to Monroe and to his Secretary of State, John Quincy Adams, was unfortunately forgotten during much of the remaining century. The American statesmen of those years liked to think that they were favored by Providence, not by human arrangements. Behind the largely unrecognized relationship to Britain, the Americans felt able to make the broad declarations which satisfied national vanity, or to engage in marginal interventions on the world scene.

The result was that Americans forgot the nature of foreign policy; they lost the habit and the techniques of practicing one. Thus, they failed to recognize that their safety existed only so long as Britain was not challenged by a new hegemony on the continent. They watched the rise of German power before World War I with little sense of what it meant to their interests, only to repeat the same error in the years leading up to World War II.

In this same period Americans developed an exaggerated faith in the efficacy of words and in the formulation of abstract principles. They had seen prior to 1914 a long period of peace among the great powers, with their own interests being protected and many liberal advances being achieved in different parts of the world. These developments had been occurring without any particular efforts on the part of the United States and seemingly in accord with its grandly phrased declarations. It was not surprising that words, rather than deeds, came to appear the principal ingredient of foreign policy.

## VII—The Democratic Process as a Vital Force

The great choices and decisions to be made in foreign policy over the next decades must be decisions arrived at by the democratic process. That seems an elementary requisite. Foreign policy becomes increasingly important and preoccupying in the national life; it touches more and more every aspect of domestic politics; it comprises by far the most significant of all the matters with which a nation must deal. If the citizens feel excluded from full and active participation in this field they may be said to have renounced their basic rights and duties.

### A. THE PUBLIC AND FOREIGN POLICY

The proposition that the people have a large role in this area has not been easily accepted either in fact or among the philosophers of democracy. It has often been maintained that the citizens of a democracy are not capable of the kind of choices which foreign policy involves—however capable they may be of managing their own affairs at home. The kind of wisdom required in foreign policy, it has been argued, is basically different from the wisdom required in domestic choices. The people, according to their critics, know only what affects them—"how the shoe pinches", as it has been put in a homely simile. They are aware how a tax falls, how a law works when it is applied to actual circumstances. But in foreign policy, it is said, the results are remote and indirect; the situations involved are not understood instinctively, as a neighbor knows the character of a neighbor.

It is argued, further, that the foreign policy of a nation is not something which can be debated and arrived at by public opinion. It is fixed by objective and largely unalterable facts. Choice and desire enter into it but slightly. The people can support it once it has been defined and revealed. They cannot "make" it in any real sense.

We cite these arguments, but we are convinced that they cannot be applied to the situation today. Granted all the difficulties of having the popular will enter into situations where far-off conditions and little

the advanced Western countries; more than that, it wants the other areas of the world to develop both agriculturally and industrially to their fullest potentiality. Measures taken by the United States in response to domestic economic situations must be looked at carefully in the light of such impediments as they may create to the progress of others.

The United States, in short, is challenged so to conduct itself as to bridge over in every possible way the potential cleavage between East and West. It is deeply concerned that East and West not draw apart through lack of understanding or through failure to see clearly the underlying interests which are held in common by the two great sectors of the globe. The way we order our life at home is an important factor in weaving the broad unity; so are our specific relations with individual countries. We can hope for bonds of friendship and ties of interest with the East; we must not let emotion or differences of ideology close the door to such possibilities of better relations with the Chinese people as may arise in years to come. Standing for freedom and for the essential dignity of man, the United States cannot see itself cut off from any continent or country.

## B. RESULTING EMPHASIS ON THE LIMITS OF FOREIGN POLICY

The experience resulting from two world wars shows how hard it is to come to terms with reality: to create a foreign policy that can be adequately supported, to find a right relationship between national aims and the power the state can ultimately muster. In a difficult period of chastening and education, not the least important lesson which the United States has had to learn is that it cannot do everything, and certainly cannot do it cheaply, easily, without sacrifice and effort.

In many quarters of American opinion the emphasis after World War II came to be, not on the possibilities and scope of foreign policy, but on its limitations. The country was told persuasively that not everything which happened in the world, for good or for bad, was attributable to its policies. Changes might occur which it did not foster, and which it could not have prevented, at least without a disproportionate expenditure of effort and lives. Parties changed, revolutions were fought, hopes for freedom rose and fell. In much of this, it was pointed out, the United States could not be expected to have a dominant voice.

To be patient, limited in one's hopes, prepared for one's share of disappointments and harassments: this was the spirit of foreign policy as it appeared to many when the American people awoke from their long dream of isolation.

## C. NEED FOR A POSITIVE OUTLOOK

The time has now come when we once more must establish the positive nature of foreign policy. In doing so, we cannot go back to an earlier mood, when in our neglect of the underlying situation we gave an exaggerated weight to declarations of moral principles and universal truths.

We cannot do everything through declarations of principle, as we certainly cannot do everything through force. The constant weight of American power, moral as well as military, needs to be channeled in purposeful and useful ways. Amid the deep currents, the United States is not merely a nation, but a polarizing and dynamic force exerting intended influence and unintended gravitational pull or repulsion beyond its borders, moving (by historical standards) with great speed and huge mass. The American whole is more, in the international equation, than the sum of its various parts, economic, military, technical, and spiritual.

This force cannot be described merely as an aggregate of American economic productivity, or of fire power, or of organizational and social inventiveness; it is also animated by a high degree of consensus based on moral and political beliefs.

The United States, consequently, for better or worse, must be viewed as a political and ideological influence backed by tremendous power.

Recognition of this quality of the United States as a symbol—often plainer to others than to ourselves—is at the beginning of an adequate view of foreign policy. What we are in itself an element, conceivably a decisive element, in the total balance; what we do or refrain from doing affects other peoples in ways beyond our knowing. Our leadership would be felt even were we to seek to avoid exercising it. Precise balancing of commitment to available force, however necessary in our day-to-day decisions, is not the end of the matter for the United States. There remains, over and above this kind of calculus, the imponderable impact of the country as a whole—the impact which its example and beliefs are, at their best, capable of exerting.

The time has now come when the great possibilities of foreign policy need to be stressed. The emphasis on limits has been useful, but the other side of the medal needs to be examined.

As modern life develops in its complexity, it offers a wide variety of means and methods. The lives of people touch at innumerable points; the range of their interest increases. The greater part of this report is concerned with governmental policies and official action. But at every juncture where the American image impinges on the world, private citizens make their influence felt and contribute to the attraction or repulsion which is a vital element in the country's total power. The traveler, the exchange student, the businessman, the labor leader, become spokesmen of the nation's purposes. In particular, three areas outside the official sphere need to be stressed:

### 1. *Voluntary Associations*

The American people are intimately involved with a vast and growing complex of international relationships which, in reflecting the common concerns of men, cut across national and cultural frontiers. The immensely successful International Geophysical Year was sponsored and developed by private groups, with the government lending its support. Universities, scientific and scholarly associations, private foundations and religious organizations, are active elements in a variety of international communities which flourish underneath and sometimes despite

processes, the consuming habits of the public and a responsible attitude toward distinguishing between the more and the less important.

It is also evident that the United States has not found the means to maintain full and expanding production in the face of failures of agreement between management and labor. Stoppages in major industries, whatever their root causes and their domestic costs, have a grave impact upon the capacity of the United States to fulfill its task in world affairs. The problem is one which merits the highest priority and demands statesmanship from both management and labor.

The challenge before the United States is not merely to keep ahead of the Soviet system. We are not engaged in a sporting competition, but in a deeply significant effort to make American production count as a constructive factor on the world scene. Only as we develop our full economic potentialities can this country have the resources, the flexibility and the confidence which will make possible our leadership in the economic transformation of the globe, narrowing the gap between the rich and poor nations.

The economic progress of the hitherto underdeveloped countries generates in itself forces which could cause the United States to draw back and to pursue defensive policies. From the outbreak of World War II until the economic revival of other advanced countries in the 1950's, competition on the world economic stage was suspended. Such competition must be once more accepted as a fact of life. The world economy is now entering a new phase where price, quality, service and other elements of true competition challenge the American economy to new standards of efficiency. This will be underscored as industrial progress occurs in countries which have not formerly been factors in the world markets.

The recent tendency for American exports to decline in relation to imports, and the significant symptom of the drain on United States gold, indicate how the world economic system is changing. The United States will need to make adjustments to such a developing situation; the important thing is that these adjustments be made in a way which does not thwart economic growth elsewhere in the world. The degree of our support of defense establishments in other countries can well be re-examined now that many of these countries have achieved a substantial economic revival. But the main answer to such a symptom as the drain on gold is not in policies of withdrawal or protectionism; it is in maintaining efficient standards of production and enlarging our rate of growth.

The long-range interest of the United States is in economic growth throughout the world. It wants the continuing prosperity of its allies in

## 2. Importance of U. S. Economic Growth

The gulf between East and West will be bridged, also, to the extent that the United States makes plain its participation in the economic forces which are manifesting themselves in all parts of the globe. As a people, we want the less industrialized countries to know that we are involved with their growth. We want them to feel that we share their aspirations for a better life. Our own capacity for economic advancement is therefore a matter of supreme importance. It must be a demonstration of what can be accomplished under freedom. More than that it must provide a part of the resources from which the development of other countries is derived. Even if we could afford recessions or unemployment from the domestic point of view, we cannot afford them from the point of view of our long-range international interests.

The rapid expansion of the American economy is held by the panel—as already set forth in the earlier report on the domestic economy, *The Challenge to America: Its Economic and Social Aspects*—to be of utmost importance. Here we stress its relevance to the international scene.

It is commonly assumed that the United States can continue to surpass the Soviets in all areas if the challenge is forced out into the economic field. Perhaps for the first time in our history we cannot make this assumption unless we do something about it and do it thoughtfully, carefully, and consistently. Internally, as well as externally, we face today larger demands on our economy than ever before. The attainment of maximum growth with high employment and relative stability of the price level requires a balance which is not easily achieved in a democracy. The balance will have to be maintained in the face of powerful domestic and international forces tending to disrupt it.

To move from an average rate of real growth of approximately 3 per cent to a rate of 4 to 5 per cent is a percentage increase of 30 to 60 per cent. This rate of improvement of collective efficiency in a free society will require us to have a better economic understanding and a willingness to make present choices with a long-term gain in mind, if the delicate balance between the rate of growth and price-level stability is to be maintained.

The capacity to sustain economic growth depends in the American economy on maximum initiative and administrative flexibility. By these means we must insure such essential factors as a long-range supply of basic raw materials, adequate energy and fuel resources, competent manpower at all levels, the vitality and relevance of our educational

the issues which preoccupy governments. American policy is committed to encouraging such groups, affording them freedom to speak and act with the greatest diversity.

## 2. Economic Contacts

Economics provides a channel of influence far deeper than it has been accorded in traditional diplomatic concepts. This has been fully discussed in another report of this series, *Foreign Economic Policy for the Twentieth Century*. As an exporter of capital and technical skills America has played an increasingly important role. It is important also to think of the power which is exerted by reciprocal or absorptive means. America is one of the world's major buyers of goods and raw materials; the internal life of many countries is vitally affected by these purchases. Too often the significance of this role has not been adequately appraised.

American private enterprises conduct operations in all parts of the world. Foreign private enterprises are found throughout the United States. Labor leaders in America are in contact with their fellows elsewhere. The marketing of goods between our country and others goes on continuously. The sum of all these contacts constitutes a basic reality of international economic relations.

## 3. Cultural Relationships

The United States' influence in the world is, of course, strongly affected by the impact of American ideas and fashions, by American books, plays, paintings, movies, science, and music. Yet reciprocal relationships, which have been emphasized in regard to economic policy, need to be equally stressed where intellectual and cultural matters are involved. The capacity of the United States to appreciate and enjoy intellectual achievements of other peoples not only enriches our own life but generates an important element of power. The United States as an absorber and mediator of diverse cultural strains is a force in the world which it could not be if it sought merely to promote the adoption of its own ideas by others.

The manifold and intricate quality of modern free society—its richness in the fields of non-governmental group activity, of economic and cultural interests—thus gives to foreign policy a scope which goes far beyond the activities of small groups of officials or well-publicized negotiations. This is not to underestimate the need for vision and courage at the highest levels of diplomacy as an essential factor in a positive for-

eign policy. But we must never forget that the opportunities for effective action and influence are wide—far wider than the official channels through which a government's influence is exerted.

#### D. THE IMPORTANCE OF IDEALS

To stress opportunities is inevitably to come up against the problem of the relation between realism and idealism in foreign policy. The United States has been criticized both at home and abroad for its reliance upon what seems a purely idealistic formulation of the world's thorny issues. Nevertheless, whenever it has wielded effective power in the world, its ideals and its moral convictions have played a vital part in its decisions.

Whenever, on the contrary, the United States has tried to act without moral conviction, or in ways that went counter to its basic beliefs, it has found itself inhibited and has ultimately had to rechart its course. Proposals for an imperial venture in the Philippines withered before the tendency to independence which we instinctively favored. The attempt to be "realistic" in French Indo-China—supporting a colonial power so as to contain communism—was a faltering effort partly because of the realization that we were going against our natural respect for national independence. A "settlement" with the Soviet Union which would legitimize Soviet rule over Poles, Czechs, Hungarians and others would run counter to these same deeply rooted instincts. Examples could be multiplied. While it is true that every nation seeks to justify its actions in ways that conform to its image of morality, America is committed to the basic idea of the consent of the governed. It is bound, therefore, to a peculiar degree to act in accordance with what it believes to be its own character.

Those who mistrust idealism in foreign affairs maintain that a nation's self-interest is not to be confused with its preferences and desires. The world is what it is; regimes come and go, and we must deal with nations according to their relationship to the national security and well-being. There is for Americans a certain valuable corrective in this view. In extending and withholding diplomatic recognition, the United States has too often acted as if it were trying to insist that the world must conform to its liking or else be beyond notice and contact. In the granting of aid it has had recurrently to combat a temptation to make its gifts dependent on its recipients conforming to our economic experience and preferences.

There is indeed an order of things fixed by geographical and other facts which endures beyond the surface changes of regime. Even so radical

#### E. THE DANGER OF A NEW DIVISION OF THE WORLD

In such a new configuration of states and peoples, the United States will have a long-range objective which until now has been implicit rather than expressed. That objective will be to make sure that the world does not decline into a new bipolarity, this time more durable and more fearful in its implications, because based on color rather than on ideology. Ideologies can be transformed with time; color lines are fixed, if not permanently, at least for very many generations. The cold war with Russia is bitter to live with; but worse would be a rivalry in which men found themselves pitted against each other on lines of race or color.

Our present period is one in which race and color have assumed an undue significance as peoples in all parts of the world demand, by violence if necessary, an end to colonialism. It is understandable that national independence became confused with hostility between white and non-white; it is unfortunate that this confusion diverts attention from the militant imperialism of our own century led by Moscow and Peiping.

##### 1. *U.S. as a Mediating Force*

In building toward the future the imperative principle must be that race and color not be accorded artificial significance. The United Nations and its specialized agencies demonstrate the irrelevance of race in most human concerns. So do the Organization of American States and the Commonwealth of Nations, the Colombo Plan and American economic and technical assistance programs.

America's own interests and the role it is called upon to play in all parts of the world require it to work toward the removal of race and color as significant factors in a new world order. This is the reason why, from the point of view of foreign policy, the settlement of our own race problems in the United States is of such paramount importance: not because we merely want a propaganda victory in the cold war, but because we risk, except as we do solve it, disqualifying ourselves from the role demanded of us as a reconciling and mediating role in world politics. The United States throughout its history has shown itself capable of maintaining at home a free association of diverse nationalities; such a present-day example as Hawaii provides a lesson in the relationship of Eastern and Western peoples from which we ourselves can learn and an example which points the way to rational human relationships.



Those countries that are bringing population under control, as Japan has been doing, may in the last analysis be most likely to form significant power centers in the decades ahead. A high degree of national purpose and education on an increasing scale are among the elements which can help bring population into balance and make a higher standard of well-being possible.

Whatever the precise effects of new forms of military power or of population trends, the rising power of Asia and eventually Africa is plain to see. The solidarity at Bandung was the beginning of a political consciousness which casts long shadows into the future. Self-determination of the African peoples, as expressed at Accra, is a rapidly growing force. The world stage will be immensely enlarged as these new peoples and continents play a larger part. The international order as it existed before the First World War, in some ways more efficient and highly organized than anything we have been able to construct since, was fashioned on a small scale, with the old states of Europe managing between them virtually all important matters. That day has passed. Only slowly, however, are we grasping the implications of a world in which forces hardly yet measurable and peoples still in political infancy form essential elements of the total structure.

The picture of the United States held at least unconsciously in the minds of Americans is that of a large continent, endowed with virtually unlimited resources, enjoying an easy power and favored with a comfortably large and growing population. That picture will change in the decades ahead. In comparison with the vast, amorphous new regional groups now obtaining political expression, the outstanding fact about the United States may come to seem its compactness. Notable among its characteristics will be a high degree of skill, elaborate organization, a refined technology. Its conviction of self-sufficiency will be replaced by awareness of how greatly it is dependent on its relations with other countries for essential materials and for a supporting atmosphere in which it can breathe and be itself.

Education (discussed in another Special Studies report, *The Pursuit of Excellence: Education and the Future of America*) will become an increasingly important element of our national strength. Not the power of masses, but the power of intelligence—groups schooled to excellence, disciplined and tempered in the exercise of widely decentralized responsibility—will be the source of such authority as America wields in that day.

a transformation as Russia underwent at the time of the Revolution did not wholly alter the relationships which had existed between it and the United States through the nineteenth century. It had been, despite ideological differences, a potential ally in the rear of potential enemies. It remained so, as shown in World War II, after the ideological difference had been rendered even more profound by the switch from czarism to communism.

Yet when all that has been said, Americans continue to believe deep-down that force by itself is not power; that ideals and values are among the essential components of strength in a democracy. Our own actions are made what they are—effective or frustrated—in large part by the degree to which they are in conformance with what we basically believe to be right. Similarly, our relationships to other countries are inevitably affected by the values they uphold as well as by their estimate of ours.

Ideas and ideals are thus to the United States an essential element of reality. How to translate those ideas and ideals into policy is a continuing problem of statesmanship. To press specific forms of democracy upon countries whose ideas run in other directions can obviously be self-defeating. At the same time, the loss of democratic values in any country now free would be a severe setback for civilization as we understand it. In an area where so much depends upon the sensitivity, firmness and imagination of men dealing with specific situations, perhaps the most that can be said is that the promotion of our ideological interests must be on a different plane and on a different time schedule from the promotion of those interests more directly related to our security. We cannot safely accept, even briefly, the development of a power vacuum at any crucial point in our line of defense. We cannot, on the other hand, hope to effect an immediate transformation in a regime which has developed along lines hostile to freedom. In such a case our task must be conceived as a long-range one of persuasion, assisted by the force of example and by the whole weight of America's record and achievements.

Because the United States' desire for a world of expanding freedom cannot be realized at one step does not make it any less important. It is, indeed, the grand objective of foreign policy that the world order shall be of a kind in which the United States can be at home—spiritually, economically, and politically.

To sum up, this report takes the position that foreign policy must be conceived as a positive, active force. Since World War II there have

been patient and often highly successful efforts to make our influence felt and to give our ideals a reality in the eyes of other peoples. In contrast to earlier periods, we have accepted deep commitments and continuing responsibilities. But the period ahead will see still greater opportunities and greater demands upon the United States. Unless in these years we go beyond the protection of our more obvious and immediate interests—unless we take a real part in shaping an environment congenial to freedom—we shall find that we have failed to make even our immediate interests secure.

broadest outline. The rapid progress which the underdeveloped countries have set as their goal—and which they must attain if they are not to slip backwards into chaos worse than the poverty from which they are emerging—will begin to tell in the scales of world power. The new sources of energy which the industrialized countries stand ready to put at their disposal will have given them capacities which, in the normal course of development, would have been wholly beyond their reach. Taking over forms of technology and organization laboriously worked out over centuries in the Western world, some may be able to leap over decades of experimentation and discovery to stand in the ranks of the modern world.

It is difficult to make predictions in this area partly because the nature of strategic power is undergoing a transformation and we do not yet have enough experience to assess the results. Many elements which formerly gave a nation a power status may have the opposite effect in the missile age. Thus, invulnerability has been a source of power; Great Britain's immunity to invasion was the basis of its first greatness. But seas and distances, however significant, will not provide immunity in future wars. Moreover, industrialism itself, with the concentration of population and resources which goes with it, may prove a severe handicap. How can one compare the strategic power of a small industrialized country, for example, with that of a relatively less developed nation where wide lands and scattered populations provide no easy targets? We actually do not know the answer to such a question, but the very fact that it can be seriously asked indicates how far the power situation is beginning to alter.

Nor do we know as yet what will be the effect on relative power of the increasing populations of Asia and, to a less extent, of other underdeveloped areas. The assumption is often made that the weight of nations in the world scale is roughly related to their population. This is highly questionable, especially where population growth is not due to any inherent ferment or vigor, but to medical advances drastically reducing infant mortality.

Power in a confused and negative sense may conceivably accrue to crowded nations. A capacity for mischief may well increase beyond any capacity for effective or constructive action. Lacking adequate resources and in a state of political instability, such nations may form part of a restless, jostling mass, condemning the age to violence and disorder. In such an environment, seething population growth could provide a ferment easily mistaken for power, and hordes of manpower could be a crude asset in warfare.

and experiments to improve our capacity to detect, to monitor and to inspect, including studies in techniques of hiding and concealing atomic blasts. A group within the government should be in a position to give continuing attention to such problems, under a directive to explore every alternative. It is important that, wherever possible, such studies be made public; for without them public discussion of disarmament could become meaningless or even dangerous.

Disarmament, nevertheless, is not merely a matter of technology. Persistent and unremitting efforts to achieve step-by-step control and reduction of arms should not blind the U. S. to the really fundamental issues involved. If the control of arms becomes effective on a broad scale, it will almost certainly be because international institutions will have developed greatly in scope and authority over the coming years. Machinery for inspection and control (particularly if countries not now possessing atomic bombs agree not to manufacture them) will make heavy demands upon the international organization. In addition, the adjudication of disputes under international law must be expected to advance along with the lessening reliance on arms. The armaments which now present so heavy a material burden and so deep a cause for anxiety may thus, in the long run, prove to be one of the powerful forces impelling the world toward order and law.

#### D. EMERGENCE OF A NEW POWER STRUCTURE

A world situation characterized by the rivalry of two superpowers, the U. S. and Russia, will almost certainly not last. This report is written in what may well prove, when men can look back, to have been the twilight of bipolarity. The pre-eminence of these two great centers, with their scientific skills, their advanced technology, their large highly organized populations, seems for the time being to be part of a continuing and even natural scheme of things. It is, on the contrary, highly unnatural and is surely destined to be impermanent.

The transformation of the existing structure is coming about through factors we have already noted. The rise of a united Western Europe and of a highly organized China are the most obvious signs that the polarizing forces existing in the postwar period are beginning to abate. But if we look beyond the 1960's into the remaining decades of the twentieth century, we are bound to feel that the shape of things will have been altered in all kinds of ways that are impossible to foresee except in

## II—The American Objective

What are the objectives of American policy? At this stage in the report, we shall try to state these objectives in their simplest form—both what as a nation we seek and what we do not. Any definition of aims begins with the fact that the United States has no territorial ambitions. That is a negative fact, but one of profound significance to the country's basic purposes and hopes. The report proceeds to speak of survival and of peace as objectives, but it maintains that these are not in themselves sufficient for a viable foreign policy in the second half of the century. Nothing less than an image of what this world might be—a world organized so as to assure peace and freedom for all—can provide a goal large enough to harness our energies and give direction to our efforts.

#### A. NO TERRITORIAL AIMS

That it is not the objective of the United States to extend its territorial dominion may seem obvious to Americans. But in fact the opposite has been the rule through much of our own history and for most nations. The United States has provided an example of territorial expansion—by settlement, by purchase, by war. By the beginning of the twentieth century the present boundaries of the U. S. had been filled out and the transient dream of further empire once and for all renounced. That no territorial ambitions or desires now stir America, that there is not even debate on this point, needs to be stressed.

If this country were not profoundly agreed on this point, it could not pursue without confusions or misunderstandings its ideological interests in world affairs. This report takes a strong position on what it conceives to be the need for affirmative measures in building new supranational organizations and new regional associations. Such a role could not be played in good conscience if there were doubts as to America's disinterestedness.

It is not a small thing that a nation of such power as the United States has been so free for so long of territorial ambitions. This can be said, we hope, without immodesty. It needs to be said, for it is a major fact of today's world.

## B. THE ISSUE OF SURVIVAL

It needs next to be said that the American objective includes the basic, fundamental one of national survival.

A nation, like an individual, need perhaps give no reason for wanting to survive. A deep instinct and an unreasoning will are, in the last analysis, what count. But the age in which we live justifies making this objective explicit and affirming it solemnly. The threat to the survival of the United States is today greater than this country has ever experienced, even in its first uncertain years as a nation. It is confronted by a hostile power system equipped with weapons of destruction which pose for the rest of the world the issue of survival in its starkest form.

In the moral crises which these new weapons present, moreover, there is particular need to be clear on the issue of the continued existence of our nation. The price of survival will not be cheap in terms of the effort and the will which must go into maintaining strong arms, dependable allies and confident friends. Moreover, it is imperative, in our present situation, that the United States have the kind of military establishment which allows it to respond to limited attacks with limited means, keeping for itself a wide option in the face of intermediate threats or aggressions. But if worst comes to worst, if despite all efforts the choice is posed as that between an all-out war and submission to nuclear blackmail, such a war must be faced. The destruction it could wreak on us and on others is fearful to consider. But failure to face up to the threat of such a war undermines the hope of achieving any sort of tolerable world order. It would have the inevitable result of encouraging demands which we had announced in advance we would not resist.

To put such a price upon national survival, when nationalism can no longer have the absolute meaning it once did, may seem a paradox. The time may come—and we hope it may come before too many decades are out—when survival will not be posed in its present terms. For the time being there is no other course for Americans than to act for the

tensions and enmities is through disarmament. The U. S. maintains, on the contrary, that effective disarmament measures can only come about as concomitant political settlements reduce the tensions. The Soviet spokesmen seem to be saying that only when nations no longer have the means to fight wars will they lose the incentive to fight. They are suspicious of systems of inspection and control which would cause them to lose, during the interim period of disarmament, the strategic advantages of secrecy. It must be admitted that they possess this advantage to a far larger degree than the free countries of the West. Moreover, the Western emphasis on political settlement takes into account that substantial disarmament would greatly enhance the use of externally supported revolution as a Soviet weapon of expansion.

We reiterate, therefore, that we believe political accommodations must accompany effective disarmament; we maintain that these settlements, with the relaxation of tensions they bring, should make possible a sound system of inspection and control. For this reason we deem it of the utmost importance to push forward a search for political arrangements which can allay the fears both of the free world and of the Soviet leaders and satisfy the legitimate quest for security. It is sobering to recall that on more than one occasion the United States has unilaterally reduced its arms below the level of safety without first negotiating arrangements to protect its general security.

At the same time, negotiations in the field of disarmament must be unremittingly pursued, taking advantage of every political or technological development which may offer a fresh line of inquiry. We urge that the United States pay greater attention to sustained studies of the arms problem. Negotiations in this field have become so complex and so involved with rapidly changing military, technological and political factors that the first requisite is a clear understanding of what national policy should aim to achieve. These are matters of great subtlety and complexity involved in programs of monitoring and inspection in all aspects of arms limitation. The knowledge of what actually adds to security is not easily acquired and will not remain constant.

The amount of effort that has gone into this kind of study has been negligible compared to the effort which has gone into military matters or other aspects of our national security and international relations. The U. S. has tended to go into international negotiations with inadequate preparation and with rapid turnover of personnel officially engaged in the problem.

There are also required, this panel submits, thoroughgoing studies

planet casts a shadow over the whole human adventure. The material costs of armaments do more than merely cause postponements of benefits to which peoples feel entitled after long efforts and great technological advances; they distort society by diverting scientific and other talents. These costs will mount as weaponry becomes constantly more technically refined, yet without any compensating assurance of security. The chances of error or miscalculation become the greater as resources are concentrated on weapons of growing complexity and compressed time scale.

Since World War II the United States has taken an active part in international efforts to reduce the risk and the burden of armaments through mutually agreed limitation. Its proposals of 1946 to achieve international control of nuclear energy were rejected by the Soviets, and the difficulties of the task have unfortunately increased through the ensuing years. Nevertheless, the United States can point with some hope to agreement on basic principles worked out through the channels of the United Nations. In addition, direct negotiations have been established between the United States and the Soviets on prevention of surprise attack and the suspension of nuclear weapon tests.

The United States' approach has in general been for world-wide arms control, calling for a step-by-step reduction in armaments, coupled with control and inspection. The hope has been to reduce armaments by stages, make disclosures, and establish inspection, beginning with the least critical stage and progressing to demobilization of our most effective arms and disclosure of our most sensitive secrets only after confidence has been gained through experience in the less critical preceding stages. Agreement with the Russians has been difficult because they propose sweeping disarmament measures without accepting inspection adequate to verify compliance.

The abolition of arms has been once more proposed by the Soviet government. Whether the proposal is serious is open to doubt. Substantial disarmament has long been an objective of U. S. national policy, provided it is accomplished with real assurance that the security of the world will be improved in the process. Recent Soviet statements have apparently placed more emphasis on inspection and control than did their early proposals. Negotiations must test whether there are sufficiently significant changes in the Russian position to make it possible to move toward a mutually acceptable plan for disarmament.

It seems important to point out that there are deep and perhaps crucial differences between the Soviet approach to disarmament and that of the United States. The Soviet leaders maintain that the way to reduce

preservation of our nation-state, and to act on such a scale and with such means as the threat to its existence may make necessary.

Putting the issue in terms of survival confronts foreign policy with its grimmest decision: the resort to force and the possible use of weapons dangerous to civilization itself. It confronts the citizens and their leaders with the ultimate question: upon what grounds do they deem their survival as a nation a good for the sake of which such grave perils must be faced? For Americans, the answer must be that, despite shortcomings and defects, they conceive the United States as standing for enduring values deeply rooted in the aspirations of man. Nothing less than that conviction can sustain them against the final test.

### C. THE SEARCH FOR PEACE

Peace is obviously one of the grand objectives of American foreign policy. The American people do not like war, have never liked it, and find their attitude powerfully reinforced by the form which future wars must take. The only question is whether peace shall be the whole aim of foreign policy; whether everything shall be yielded to that end. Clearly the answer must be *no*. The risks which arise from the possibility of war are great. But by resolutely accepting the risk—and by that alone—we gain a decent chance of avoiding it.

Apart from this grim logic there is another reason why peace cannot be made our sole objective. It is the same reason why giving one man a responsibility for peace—or one department or one party—is bound to prove illusory. Peace is not a single or simple thing. It can only be the result of a nation's total policies, within the total policies of all the other nations. It is the end product of a wide series of arrangements, institutions, habits and organizations, all in working order. A foreign policy which devoted itself exclusively to avoiding war would neglect the constructive aspects out of which a true peace must develop. A free nation which sought nothing but peace would gain peace only at the price of its freedom.

In this area, as in that of national survival, we meet a paradox. The nation, regardless of risks, must preserve itself, just at a point where the significance of the nation-state is declining. So the possibility of war must be faced even though it is difficult to conceive of war as a suitable instrument of policy. In simpler ages it may have been possible to live without this tension and ambiguity; the nature of the present situation

offers no escape. However unthinkable war may be in one sense, our safety and hope lie in thinking about it coolly and realistically.

#### D. A NOTE ON THE NATIONAL INTEREST

The pursuit of "national interest" has traditionally been the framework within which the aims of foreign policy have been defined. In this report we use the phrase as little as possible, for it seems to us to express too narrowly what foreign policy in our age must aim to do. Today, the national interest cannot be fulfilled within the limits of the nation itself. Nor can it be achieved apart from the interests of the citizens who compose the nation. If survival were the sole end of foreign policy, if preservation of existing boundaries were the end, then one could justify the use of this abstraction. But as we see the world today, the interest of the United States, like the national interests of all other nations, can only be fulfilled within an order far wider than its own geographical limits.

The idea of the "national interest" had value when the international order was more or less fixed and comprehensible. Within this order, nations could hope to maneuver so as to protect their interests and gain legitimate advantages. But when the international order is in flux, or when a new order waits to be created, responsibilities are thrust on some nations which call them to undertakings far beyond anything suggested by their own immediate interests.

The England whose example spread independent parliamentary democracies, or the America that bound Europe's wounds after World War II, were acting upon a concept of the common good which went beyond older and narrower notions of national interest. Both these nations saw their task as creating a structure within which the separate interests of many diverse peoples could be pursued. Britain, it is true, prospered within the situation it had shaped by its sustained efforts. The United States believed, and rightly, that its long-range security and well-being would be enhanced under the Marshall Plan.

This panel believes that the United States has an objective which needs to be defined in new terms, broader than the old concept of "national interest". This objective is to foster the development of a world order in which all peoples can live in security and realize their fullest potentialities. We shall sketch in broad strokes some of the elements of such an order, so far as it now appears to the American people and as their consensus has defined it.

expressed lest the United States be slow to use it in case of aggression against them, for fear of exposing its own shores to Soviet atomic power. The uneasiness generated among Europeans by these separate fears—each understandable in the particular circumstances—has tended to work against the development of Atlantic unity.

The overhanging presence of atomic weapons has, besides, tended to make change and adjustment in the international order difficult to effectuate. The threat of a nuclear holocaust has made the use of force subject to great risks. This might conceivably be a gain if, with force inhibited, diplomacy were able to take charge. But with the balance so precarious and the results of upsetting it so potentially catastrophic, diplomacy, too, becomes hesitant. At key points, such as Korea and Berlin, we have witnessed what has been called "a slowing down of history". In a world where everything else is speeded up and underlying social and economic developments move at an unprecedented rate, these situations remain fixed.

The major powers have thus not worked out anything more than a crude and dangerous way of living with the new weapons. Yet, the world is now faced with the proliferation of these weapons to other countries. If matters are left to take their own course, we shall first probably see an enlargement of the nuclear club, with France being first in a course which other technically advanced countries will follow. There is hope that at this stage the newer nuclear powers may use their prestige and influence to achieve the enforcement of some kind of order. It would be over-optimistic, however, to assume that this effort will be successful in preventing the spread of the bombs.

It is necessary, therefore, to foresee the deadly weapons coming into the hands of a number of nations. What the world order will consist of, if there are then no controls or limitation, it is difficult to imagine. At the worst, the possession of these weapons will give power of catastrophic destruction to a number of nations, while giving security to none. Irresponsible assertions of power will become a real and fearful danger. The chances for error or for deliberate creation of false appearances will leave the world in a state of unappeasable anxiety.

#### C. THE CONTROL OF ARMS

As men look into the future, it is impossible for them not to be sobered by the burden of arms seen lying upon the nations. The realization that man has devised weapons capable of destroying life on this

concentrating great power in the two nations that have been able to develop them to their fullest extent. We have indicated also how the relationships of other countries to these great powers have been affected; how, indeed, the very nature of their national existence has been altered.

There are other major ways in which the new arms have affected foreign policy. The support which these arms and our over-all military strength have brought to our diplomatic objectives scarcely needs to be stressed. The atomic bomb, while it was a U. S. monopoly, provided a shelter beneath which the free world could organize for defense; through dangerous years it afforded an effective counterpoise against the threat of Soviet manpower. With the monopoly broken, a new and delicate equilibrium—"the balance of terror"—has come into being. The nations have, as a result, been preserved from general war through a decade and a half despite the persistence of aggressive Soviet designs.

In subtle ways, through the same decade and a half, the nature of these new weapons has affected the atmosphere and conditions of diplomacy. The extraordinary destructiveness of these weapons has made it increasingly difficult to translate their force into a practical instrument of policy. The greatest Communist gains, including the communization of China, were achieved in the immediate postwar period when the United States possessed a monopoly of these weapons and therefore, in theory, a vast superiority of power. That power was not effectively converted into pressure in support of diplomatic aims. In the case of the United States, even when it had monopoly of the atom bomb, public opinion imposed severe restrictions upon its use. As a deterrent to all-out war, massive retaliation may well be a sound concept; but the frightfulness of the weapons makes the retaliatory threat less credible when it is applied to situations of "nibbling", of local aggression or subversion. The very lack of credibility may tempt the other side to move at a lower level of force, thus creating a situation in which we feel compelled to respond with equal or greater force.

Atomic weapons and the military doctrine to which they gave rise can cause new difficulties in maintaining our alliances. These weapons have been recognized by all countries concerned as providing an essential underpinning for NATO. Yet the inequality of power resulting from the fact that they have been in the possession of two nations of the alliance and not of others has inevitably caused strains, and has required special care to maintain mutual understanding and confidence. While the bomb was a United States monopoly, Europeans tended to fear lest the United States use it too readily; when Russia broke the monopoly, the fears were

## E. THE IDEAL AMERICA

To attain an understanding of an ideal world order we must begin by sketching an ideal America. Foreign policy inevitably reflects a nation's values and experience as they have developed in its domestic life. Policy otherwise would lack roots and substance. Conversely, American development toward the ideal is dependent upon an essentially congenial world environment. The underlying unity of the world today, the degree to which it is made one by instance of communication and the rapid spread of ideas, means that the environment must eventually be as broad as the globe itself.

The United States at its best has always seen its national life as an experiment in human liberty. It established its independence and made its Constitution in an age of large and liberal hopes, when reason seemed capable of taming the essential violence of man's nature. The fact that the new nation was set apart on a continent which almost seemed to have been preserved hidden from mankind until the time was ripe, gave it a special character from the beginning.

A sense of being watched—in an almost Biblical sense of being judged—has remained with the United States. Others have contributed to this sense by their high expectations of American performance. In its naive form, this sense has been the basis of the American's concern with what travelers thought of this country; it remains today in the anxiety to be "liked" abroad, to be popular and to have tangible evidences of gratitude for his good deeds. On a deeper level, Americans have cared what history thought of them, what the ultimate judgment would be upon their work. They have known that the hopes of the world were, in some measure, bound up with their success.

The deep contradictions within the American system which derive from slavery—and which carry forward in today's problems of adjusting relations between races—appear to unsympathetic outsiders as a denial of the American claim. Certainly they open the U. S. to charges of self-righteousness and hypocrisy. In fairness, it should be noted that the treatment of caste or color forms in many modern societies a discordant note. There are difficult situations in other countries where racially diverse groups are in daily contact, but it is fair to say that no other nation combines, in quite the same degree, a passion for equality with the residue of a social order which involved inequality of race.

Seen from within, these deviations from our own ideal have a kind of fearful justification: they testify to the struggle for mastery of its

soul which every human entity must endure before it can validate its claim to leadership in wider realms. The burden of slavery lies deep in the history of America. It was not an evil lightly to be extirpated, a condition to be cured by effortless progress or easy reform. The violence and passion of the Civil War bear witness to that. Today's struggles are transferred to the social and judicial spheres; but let no one suppose that the old passions do not still burn. It is as if America were compelled in every generation to prove its fidelity to the ideal—not by words, not by gestures in the foreign field, but by harsh, unrelenting, often bitter contests within its depths, among its own people.

For the ideal exists. It is the core of a consensus which unites all parties and all sections of the country, and it is alive not least among those who resist its immediate fulfillment. The total substance of what Americans desire and intend for their nation is not summed up in any document; it certainly is not put in the form of dogmas which can be exported or imposed on other peoples.

Perhaps the heart of the matter is, nevertheless, in the Declaration of Independence.

As a nation we really do believe that the state exists for man, not the other way around. The "consent of the governed" is therefore a basic test of good institutions. It is not always a simple concept to live up to, in a day when mass pressures tend to induce conformity or routine acquiescence rather than the live consent of a democratic government at its best. Nor is it always easy to apply the criterion to governments abroad. But anyone who seeks to predict how the United States will react to a particular regime would do worse than ask to what degree the people of the land in question genuinely consent to the acts of their government.

The American people believe, also, that "all men are created equal"—not just men of one nation or race; and that they are endowed by their Creator with certain unalienable rights. Life, liberty and the pursuit of happiness are fundamental among these rights.

It would be comforting to say that in this advanced age the words have new meanings: that the right to life means fullness of life, self-realization, enhancement of the human personality; that liberty and happiness mean the attainment of these things in a refined and subtle degree. The words do indeed have these new shades and colors. But they retain their primary, blunt significances as well. This is an age when millions of people have been deliberately murdered; when in wide areas oppression to the point of slavery remains a fact; when the simplest

outside of governments, the modern corporation is carrying on a considerable part of the world's economic activities, inevitably assuming functions which cut across boundaries and playing an important though little noticed role in internationalizing the economic substructure.

Discernible in many areas is a tendency for nations to involve some parts of themselves in different groupings or associations. Thus the Western European countries have for purposes of defense been part of an Atlantic community, while for economic purposes they have been part of a European community. Certain of these countries have further sliced off specific economic functions—such as the production of coal and steel or the development of atomic energy—forming from the segments new "communities" which do not engage the entire nation-state. These new communities, carved out of the existing sovereignties, have their own capitals, their own civil services. Such developments are bound to increase. We are on the threshold of what will undoubtedly be a vast and many-sided institutional growth. What we have seen already is enough to suggest that the nation-state, as traditionally conceived, is no longer the sole possible unit of political power.

In general, it may be said that the less complex social structures tend to form themselves into groupings which maintain something of the character of traditional alliances—though even here with an interdependence born of twentieth century needs; while the mature social and political organisms of the Western world tend to group themselves by functions, with overlappings and intermixtures which are often striking in their ingenuity.

These developments within the nation-state system offer diplomacy in the second half of the twentieth century tools of great flexibility and promise to work with. Americans have been traditionally concerned with community building—though too often they have proceeded uncritically on the assumption that the example of their own union can be duplicated in entirely different conditions. They have now a rich field in which to test their experience.

## B. ARMS AND DIPLOMACY

The shape of foreign policy has been profoundly affected by the developments in weaponry brought in with the atomic bomb and now the missile age. In a previous passage we have indicated the way in which these new weapons have heightened the tendency toward bipolarity, con-



tions have kept their integrity and freedom; but their own responsibilities for defense have been transformed. They have been conscious, moreover, of varying degrees of mutual constraints and interdependency.

As for the relations of the countries within the communist orbit, subjection has been the normal course. Yet it would be a mistake to ignore how the Soviet leadership has been compelled by the forces of nationalism and self-determination to grant varying degrees of autonomy. The satellite countries present something less than a uniform subjection. Khrushchev's hints (in Leipzig, March 7, 1959) of a new commonwealth structure for the Soviet bloc deserve attention.

If the bipolarity of the past decade diminishes significantly, the relations between states will once again alter. But the effects of recent historical experience will not be lost. The nations will still find themselves linked in regional groupings of various sizes and varying degrees of integration. It will be difficult for them to affirm the kind of independence which they possessed, at least in theory, up to the division of world power between the United States and the Soviet Union.

The combinations that will then become possible are suggested by the richness of international life which has grown up, to some extent unnoticed, in the past decade and a half. Nations have not only been finding new affinities within the overarching structure of the two great superpowers; they have also been working out new relationships as a consequence of economic and technological forces. The nation-state in its existing form has not permitted certain vital functions to be adequately or efficiently fulfilled. Markets have not proved large enough. Sources of raw materials and credit have not been organized on a sufficiently broad or stable base. Accordingly, we have seen developing a wide variety of institutions, reaching across the old border-lines. Sovereignty has been relaxed in specific fields, but experience is proving that by voluntary pooling of efforts for certain ends, the nations are not diminished in any essential way, but rather gain an enhancement of what they have. Real power is increased as the meaning of sovereignty is re-interpreted.

Among the institutions which have been thus created are cooperative undertakings for specific, limited purposes, such as the European Coal and Steel Community, Euratom, the European Common Market, and the beginning of comparable arrangements elsewhere, as in Central America; arrangements to stabilize price and distribution of certain commodities; and finally monetary and credit arrangements as in the European Payments Union, the International Bank for Reconstruction and Development, and the International Monetary Fund. Nor should it be overlooked that,

elements of happiness—enough to eat, adequate shelter, the most common enjoyments—are lacking in great portions of the globe. In such an age, it is important to reiterate in their plainest form the rights we deem to be unalienable and God-given. If these rights are not fully established in fact, they are enduring aspirations and motivate our society at its best.

In the United States "the pursuit of happiness" has indeed attained dimensions which statesmen of the classic age could not have foreseen. The possibilities of material abundance on this continent outreach what all but utopians have previously imagined. We are resolved to go forward to exploit for human well-being everything that science and technology can offer. At the same time, we realize that this very abundance brings new psychological and moral problems. Can happiness be attained under a flood of material goods? Can boredom be escaped when the compulsion to work is drastically lessened? The answers to these questions may take a long while to work out effectively, especially because of a widespread reluctance in these times to think about problems directly and frankly in moral terms. But this is a passing phase, and we are confident that Americans will increasingly seek answers to these questions in their own way, with a deep continuing concern that spiritual qualities assert themselves over the tide of material things.

The American creed as thus briefly summed up can be fulfilled only under conditions of peace, and in a world so organized as to make possible free exchange, free communication and free movement of people and goods. No one nation and no one geographic area alone is capable of preserving the basic rights of man. It is impossible to conceive enduring prosperity for America when large parts of the world struggle in want or oppression. The American ideal—in both its philosophical and its practical form—connotes a sense of growing freedom and well-being. It is not an ideal that can live a shrinking existence, fenced in and defensive. Freedom is part of the world, or it does not have a valid existence anywhere.

## F. THE AMERICAN CONCEPTION OF THE IDEAL WORLD

We now come back to the kind of world which forms, as we see it, the ultimate objective of foreign policy.

The American objective is a world at peace, based on separate political entities acting as a community.

Within this community there need not and should not be uniformity: diversity of religion, culture, philosophy, social organization, expression and ideals is to be expected. It is for each people, in its own way, to discover and work out the form of social organization most satisfactory to it. The international community thus conceived ought to include any state which does not insist on imposing its way of life on others. Any communist state that is prepared to assume the responsibilities and self-restraints of international life can be an acceptable and constructive member of that group.

Such a community of states must build up institutions and arrangements permitting all its members to function and progress, assisting those that may need help. This is required for many reasons. Among them are increasing population, rising standards of living, heightened expectations, need of greater economic interchange, immediacy of communication and vastly increased contact between communities and peoples. No substantial area of the earth's surface can now exist without such contacts, friendly or hostile. Present reality offers a single alternative: struggle or cooperation. In another generation, with population doubled in many areas, cooperation may well be the condition of survival.

Institutions binding on all the diverse nations of the world can arise only as the result of acknowledged needs and be chosen only by free consent. The common denominator between the ninety-odd countries now existing is comparatively low. Effective universal arrangements exist largely in technical fields where nations agree to act together to achieve practical results. This area of common action must be constantly enlarged, as new developments and as increasing awareness of the world's underlying unity make it possible. Meanwhile, the United States can well encourage "open end agreements"—agreements on specific points concluded among those nations prepared to adopt them but with the door kept open for other nations to join as they conceive it their interest to do so.

Alongside institutions aimed at action on a world scale, there exist already great regions whose necessities and values require a high content of common action—Western Europe, the Western Hemisphere and the Middle East are obvious examples. In each of these (as also in some other regions) needs are accompanied by a large factor of common regional experience and knowledge, and of clear advantage in joint action. As we see it, any world community will include strong regional organizations. The development of these is already on foot; but the need outruns present measures, which often fail to keep pace

constant necessity to enlarge the definition of their interests. In a deep way, emerging states seem to recognize the inadequacy of their avowed goal. Even while they affirm their nationalism they grope toward those larger groupings in which alone they can hope to find their needs met.

The new nationalism may thus be a halfway house. It may provide a point in the line of the rapidly evolving development of the former colonial peoples. But it is not a resting place where men can hope to build viable communities for themselves and for their children.

The eating away of the national idea has been brought about by a world-wide economic system the essence of which makes it impossible for a state to find sufficiency within its own borders. It has been brought about also perhaps most dramatically by new developments in weapons and warfare. In classic theory the essence of the state—in addition to economic self-sufficiency—was its defensibility. It comprised a territorial expanse internally pacified and outwardly defended. Order within and a reasonable security against invasion from without: these were the opposite sides of the coin of nationhood. Smaller nations have long had to accommodate their thinking to the fact of vulnerability, but the development of air warfare blurred the significance of borders for large states as well. Even then it was possible in theory to stop the airborne invader over the frontier. The coming of the missile age, and with it the seeming impossibility of keeping the homeland from being penetrated, will complete the process which is making the modern nation an open and exposed, rather than a tightly bounded, territorial unit.

In another way the new weapons have accelerated the erosion of nationalism. The technological skill and financial resources necessary to develop these weapons and to produce suitable delivery systems reinforced the tendency toward a bipolar world—a world, that is, with two superpowers in juxtaposition to each other. Without atomic weapons, the United States and Russia would no doubt have found themselves thus opposed, with a superiority of power dwarfing other nations. In the nineteenth century, Tocqueville already discerned that outcome. But for the past decade this bipolarity has been linked with the new weaponry, and in that period the two superpowers have as by an irresistible force transformed not only their own nature but the nature of the states and nations grouped around them.

American security is now meaningless apart from the security of the free world. From our point of view, the American territory remains as an inner citadel, but for all practical purposes the United States' defense area is far wider. Within these boundaries of the free world, other na-

# VI—Elements of a New World

In a world changing rapidly it is important to discern the next phase as well as to grasp the fundamentals of the present one. In this section of the report, we put down some of the big things that seem to be happening. They set the stage for the problems with which the next phase of foreign policy must deal. They are capable of being affected in their impact and in the speed of their development by deliberate choices of policy.

## A. THE DECLINE OF THE NATION-STATE

The nation-state as it was conceived in the sixteenth century and as it has existed throughout the modern age is now transforming itself. In this report it has been necessary to talk in terms of nations as if they were still the solid entities, water-tight and sovereign, which traditional theory describes. In fact, they have not been that for a long time. The growth of the modern world has seen the interdependency of nations and communities increase to a point where independence, at least in the sense of self-sufficiency is seriously eroded. If the United States were to be confronted with the necessity of existing apart from the trade of the world, apart from its intellectual and spiritual currents, and the support of allied and kindred nations, it would quickly realize that independence can be pushed too far.

The modification of the nation-state has been confused by the fact that the aspirations of peoples all over the globe are today finding expression in the slogan of nationalism. What animates these peoples is a resolve to emerge rapidly and conclusively from the era of colonialism. They are going somewhere, but it is a real question whether they are going where they think they are. Many of them simply would not possess in any circumstances the prerequisites of self-sufficient nationhood. They certainly do not possess them in a day when even the most firmly established states find many insufficiencies within their own borders and a

with obvious necessity and also with what the peoples concerned are ready to accept.

As technical arrangements, often originated on the regional level, develop to a point where there is world-wide recognition of their need and agreement on their substance, they should be institutionalized at the international level. Changing attitudes and conditions will hasten, perhaps to a far greater degree than can now be thought likely, developments in this direction. Certain activities already affect the health and safety of mankind. Defense against disease epidemics and the attacks of pathogens and pests on basic food crops are examples of the growing range of action by a world community. Wherever possible, universalist attitudes deserve encouragement, so that the world may pass from feeling the "interdependence of doom" to interdependence in many other, more hopeful forms, including the conservation of vital resources, improvement of standards of health and economic well-being.

The hoped-for result is peace, in a world divided into smaller units, but organized and acting in common effort to permit and assist progress in economic, political, cultural and spiritual life. Such a community must facilitate the freest and fullest access by everyone to the thinking of everyone. It must allow for the widest diversity of ideas, social structure, and forms of expression compatible with the functioning of the community. It would presumably consist of regional institutions under an international body of growing authority—combined so as to be able to deal with those problems which increasingly the separate nations will not be able to solve alone.

Such, in broadest outline, is the image of the world whose building the United States sees as the grand objective of its foreign policy. It is not only by desire that the United States seeks such a world, but by necessity. It is not only by the old standards of "national interest", but because the United States cannot hope to become its fullest self except within an environment where new needs are met by new institutions.

# III—The Growth of Community

The image of an ideal world, sketched in the foregoing pages, is not drawn out of thin air. It has already begun to take shape. The British Commonwealth of Nations forms one of the earliest and most significant of modern groupings; the French community forms one of the most recent. In two areas in particular we see regional associations vitally related to American policy: these are the Western Hemisphere and the Atlantic community. At the same time the United Nations provides a vigorous example of a growing institution at the world level. The effectiveness of American policy will be judged in large part by the degree to which it succeeds in helping to keep these existing associations—regional and universal—in sound health and on the path of progress.

There are other areas, such as Africa and Asia, where regional life is taking on new forms. But in these the United States does not have the same degree of responsibility as it does in the American and Atlantic communities. Here the United States is able to exert direct influence; its leadership and active help form important ingredients in the developing situations. Results in these areas will demonstrate to the world what as a people we value and are really seeking.

## A. THE ATLANTIC COMMUNITY

The United States has always been part of the Atlantic world. It was its child and spiritual heir. It survived and grew up within the shadow of Europe's rivalries. Even during the long period of westward expansion and territorial consolidation, when the United States seemed to dwell apart, links of common interest and common ideals were strong. There was an Atlantic community even when Americans were least aware of it. There is an Atlantic community today, with its life consciously drawn together and organized. In terms of culture, political values, eco-

ment, nationalistic seethings and the residues of colonialism provide a tempting ground in which to work. Because of Africa's immense importance, both politically and strategically, the United States cannot afford to be detached or complacent.

The aim of the United States must not be to seek to align these new countries in a military alliance or to ask their commitment to the Western cause. It must be, rather, by common efforts to help further their advance along the road of political and economic freedom. Its aim must be to see that they are permitted to develop their lives and institutions in peace, with the assistance they desire and, in the light of their own efforts, are entitled to expect. It would be a tragedy, indeed, if Africa were to emerge from a century of colonialism to become a battleground in the cold war. That it may pass into an era of peace, free to develop in its own way, is the basic objective of American policy in this area.

great transformation of the African continent. Today the United States is in the position of encouraging by practical, on-the-spot measures the emergence of a new political order. It has an equal interest in seeing the era of colonialism pass, and in seeing that disorder and violence do not succeed it. Peaceful change is easier to achieve in those areas of Africa where nationalism is not accompanied by racial conflicts. At best, we must keep our hopes in line with the realities of a situation where immense difficulties and obstacles exist.

The nationalist movements in North Africa have provided one of the severest tests for American policy makers. The war in Algeria seemed inevitably to be more than a French domestic concern. Relations with a principal NATO ally could not but suffer as virtually the whole French defensive force was drained off to feed the seemingly endless struggle in North Africa. Until General de Gaulle indicated a way out of the impasse, successive French governments proved unable to bring the fighting to an end or to propose an acceptable political solution. Since the General's offer of September 16, 1959, offering a choice of several paths, including independence, to the Algerians, a common Western approach to this major problem has seemed possible. Such an approach is facilitated by the liberal nature of the new French community, in which all the participating countries have freely chosen their part and within which they preserve control over their internal affairs. With these developments and with the liberalization of the regimes in the French trust territories, Togoland and the Cameroons, France can claim to have made, with Great Britain, a statesmanlike adjustment to new conditions.

The American attitude at this juncture must be one of sympathy and encouragement for the new nations of Africa. It must be sensitive to the degree of pride they feel in their new independence; it must seek to know better the many able leaders who are arising in Africa, and in turn seek to make the United States and its purposes better known to them. These new nations require help in creating a viable economic life. They need facilities for education and public health, aid in the development of agricultural and natural resources as well as of industrial enterprises. The new leaders look both to governmental financing and to private investment. The United States must take account of these needs, and seek in every feasible way to aid the new countries in meeting the expectations of their peoples.

It is inevitable that the Communists should look to this area, perhaps with the same strategic objectives which twenty-five years ago they held in relation to China. Racial tensions, economic underdevelop-

nomics and defense, the United States is bound up with the solidarity and progress of the European peoples, as they are with us.

A military alliance attests the common defense needs of the community. We shall speak specifically of the North Atlantic Treaty Organization and its military problems in connection with the Russian threat and the cold war. Here it must be pointed out that NATO is in many ways different in nature from the alliances which have appeared and vanished through modern history. Although NATO came into being for defense against Soviet threats of expansion, it has deeper roots, and in one form or another it must survive whatever transformations in the world situation the next decades may bring.

At times the community underpinning the alliance has not been sharply in evidence. Temporary slackening of Soviet pressure brings out fissures and division among the nations until it has sometimes appeared as if only external threats held the Atlantic world together. Conversely, an intensification of Soviet maneuvers has created strain. Rather than gear the alliance to Soviet actions, it is the task of statesmanship to make clear the reality of the underlying ties.

Historical contingency has made NATO the most striking of the institutions of the Atlantic community. In a way this is unfortunate, for many diverse activities depend on NATO and are closely related to it, thus running the risk of being colored by military considerations. Yet in the life of the world, historical need rather than order and logic is likely to be controlling; wisdom calls for a flexible approach to organizational structure. Such developing political institutions as the NATO parliamentarians, frank face-to-face exchanges among leaders of the member states, and occasional NATO conferences like that held in London in June of 1959, are part of the process by which the common interests of the community are given form.

Common policies of governments of the Atlantic community toward problems outside the framework of the alliance need to be extended as far as feasible. The Atlantic community is involved with more than the welfare and defense of the Atlantic region; it can prosper only insofar as it is part of a functioning world order. Admittedly, there are obstacles. Ill will aroused against any one European nation, as a result of colonial issues, tends to be expressed against all of them. Similar difficulties arise in connection with different attitudes of NATO countries toward problems of the Far East. Insofar as the Atlantic governments can formulate policies of a broad political and strategic nature, the strength of the whole free world is increased. It can be increased also through

the embryonic and necessarily cautious steps for establishing Atlantic community cooperation in aid to underdeveloped countries.

Development of a unified Europe is in line with the interests of the Atlantic community as a whole as well as of the United States. The United States has encouraged the economic and political unity of Western Europe; it must continue to do so in every way possible. It must be prepared for the sake of this larger goal, to accept such incidental disadvantages as may come from increasing economic integration of Europe. Our long-standing dislike of doing anything which may sectionalize the world economy must give way here, as perhaps in other areas, to a recognition of the value of regional arrangements. It is strongly to be hoped that the division between countries comprising the common market and those in the free trade area will represent only a stage in the development of Europe's economic integration. By the same token it is to be hoped that these economic developments will be reinforced by European political institutions of equal scope and significance.

This developing Europe must keep the door open to those nations and peoples which historically have been associated with it and are now drawn into the Soviet orbit. The peoples of the satellite countries share the great European tradition; they must be welcomed into its intellectual and cultural life at every opportunity. This European civilization, restored and healed, will again be part of a broader Atlantic community. Such a development will enlarge the Atlantic world, though it should not be conceived as extending the NATO military arrangements. It is of the utmost importance that over the next decade the goal of a reunited Europe be kept vividly alive, and that political and economic institutions be kept flexible so as not to risk making present divisions seem permanent.

Political and economic unity must, finally, be matched in the field of a European defense system. When the establishment of the European Defense Community was being debated, the United States was well aware of this need. The fact that those efforts proved abortive then should not blind us now to the necessity of exploring new possibilities in existing circumstances.

The NATO states can make their military contribution by providing a powerful and versatile defense organization, combined with a strong will to resist aggression in whatever form it occurs. In this posture lies the best assurance of peace and continued freedom. As and when continental Western Europe secures for itself atomic weapons, its statesmen will

ships beneath the level of political action in a wide range of mutually beneficial educational, cultural and humanitarian activities. Here effective action may consist of many quiet steps in detail, in which non-governmental agencies—schools and colleges, foundations, and business enterprises in particular—can play a most important part, pursued in each country with patience, persistence and sophistication.

In the case of the Middle East, style may be as important as the substance of policy. We can be helpful without being importunate, firm without being provocative, courteous without being patronizing or craven. We can afford to be patient in the face of rebuff and dignified in the face of minor irritation. Our first task is to maintain the respect of the people of the area; with their respect, many opportunities will present themselves for action which will gradually shape up a new relationship more workable than any we have experienced in the postwar years. We need not be nervous about the ability of the Soviet Union to win the Middle East by persuasion; we must be alert to their efforts to win it by other methods. Our panel is convinced that the United States and the nations of the Middle East have solid common interests upon which to build and that common aims can show the way to fruitful cooperation.

## C. THE AFRICAN CONTINENT

In terms of political, economic and social factors, Africa presents a continent of great mass and population, with the greatest variety ethnically and geographically; it is undoubtedly the most rapidly changing area in the world today. By 1958, when the countries of South and Southeast Asia had found their new nationhood, most of the continent of Africa still lived within the framework of colonial systems. Two years have seen immense transformations, and the timetable of the years immediately ahead is crowded with the emergence of still other free countries. It would be impossible for such rapid progress not to be complicated by strains, or for questions not to have arisen as to whether the shaping of free institutions can keep pace with the aspirations of peoples so much in a hurry.

The United States, apart from traditional ties with Liberia, has not in the past thought of itself as playing a role on the African continent. Indeed, it was only in 1958 that a separate Bureau of African Affairs was established in the State Department. But as the flood of nationalism swelled, it was impossible, as it would certainly have been undesirable, for the United States to exclude itself from a part in the

clouded American relations with the Arab world and have offered easy opportunities for the Soviet Union to fish in troubled waters.

Competition for influence and leadership within the region has impeded regional cooperation and joint action. Underlying common interests are forgotten or set aside during periodic clashes among personalities or governments, a tendency undoubtedly encouraged by a variety of outside influences.

In thinking about these and other complications in our relations with the Middle East, Americans need not suppose that they are wholly without assets upon which to build a viable long-term approach. Geography alone suggests that the United States is capable of disinterestedness, and it is doubtful that there is any significant opinion in that area that the United States has imperial designs of its own upon the Middle East. On the other hand, the peoples of the Middle East live in the shadow of a powerful and aggressive neighbor to their north. They cannot escape the hard fact that in the absence of a change in Soviet policy, their independence requires a confrontation of Soviet power by the United States. Below the political level, the American and Middle Eastern peoples have been in friendly and mutually beneficial relationships in many directions: in science and scholarship, education, letters and the arts, in trade and commerce. These relationships have survived many vicissitudes and have laid a foundation of understanding and respect which is of considerable consequence.

In such a complex and difficult situation, it is good sense to "be ourselves". It is especially important not to become discouraged if simple and straightforward moves such as the "Bagdad Pact" and the Eisenhower Doctrine fail to meet the situation. Being ourselves means calling upon the long-range determinants of American policy for guidance. Applied to the Middle East, it means that we can make it clear that our weight is in support of security of the people of the region against aggression, direct or indirect—whether from outside the region or by one state against another within the region. It means that we are prepared to assist these states in becoming economically and socially viable, and that our assistance is available without the price of military or political alignment with us and our Western allies. It means a quiet influence in support of policies and practices which will win the approval and support of the peoples of the area. It means a friendly and helpful role, if called upon, to assist in resolving outstanding issues which set neighbor against neighbor in the Middle East.

Open channels of trade and communication are a part of traditional American policy. So is the encouragement of countless relation-

be faced with heavy responsibility to organize these weapons within the overall defenses of the Atlantic community—not succumbing to the temptation to duplicate the categories in which the United States is concentrating its major effort. Rather, in the common interest it must be hoped it will use its new weapons to increase its capacity to resist aggression against its own territory.

Assuming Europe will possess atomic arms, it would seem desirable that it create an atomic pool which will complement other forms of European cooperation.

Increasing European unity and strength might be criticized as a step toward greater divergence between U.S. and European policy. Adjustments will undoubtedly be needed as such a partnership takes shape. However, true Atlantic unity can best be fostered by the growing cohesion and integration of Europe. The Atlantic community must be one which has in it nothing of subordination or inequality. It must be a regional grouping with shared responsibilities, continuous consultation and joint decision-making.

## B. THE INTER-AMERICAN COMMUNITY

Equally important is the other great region of which the United States is a part—that of the Western Hemisphere, with Canada and Latin America forming with ourselves the major components.

Canada is actually a kind of hinge between the two regional systems. Its position in the North Atlantic and its Commonwealth ties link it with Great Britain and thence with the continent. The sharing of interests and ideals with the United States makes for a relationship far more intimate than one based on mere physical proximity. A long history of amicable dealings, and the famous example of the unguarded border, speak for bonds of a unique kind. These are reinforced by strategic considerations in a day when the most likely route of attack upon this continent is over the top of the world, across the pole. The fact that there have been economic difficulties between the United States and Canada in recent years emphasizes the need for close consultation on all common matters. There must be a genuine concern for the interests of a neighbor which has its own aspirations and has already shouldered at least its full share of responsibility in world tasks.

More complex is the problem in community building presented by twenty countries to the south of the U. S. Their importance cannot be overestimated. Here is a population already larger than the population

of the United States and expanding at a faster rate. Here is a trade roughly equal to our trade with Europe. Here are natural resources which offer enormous fields for development.

The countries of Central and South America provide a field of constructive action by which the claims of the United States to world leadership may well be judged. If Soviet strategy sets the breakup of the Atlantic community at the top of its political agenda, there is no question but that it is working hard to divide the United States from its Latin American neighbors.

Unlike Europe and even Asia, our opportunities in regard to the Western Hemisphere have failed to evoke the continuous interest of the American people. Too often Latin American relations have been handled absent-mindedly until some incident or crisis compelled attention.

This has not always been so. The Monroe Doctrine was an act of far-reaching creative statesmanship which should have set the stage for a continuous and enlarging preoccupation of the United States with this area. In raising a bulwark against colonial ventures in the southern continent, American statesmen established the enduring pattern of our interests and involvement. In the nineteenth century they sealed off the vast inter-American area against the kind of intrusion which in that period made an imperial patchwork of Africa, and they kept the way free for development in the Americas of independent self-governing nations. At the same time, perhaps building better than they knew, they developed a triple Latin American-United States-European relationship. Great Britain's support of Monroe's declaration found an echo in 1941-1945, when all the Central and South American countries declared war against Hitler's Germany.

The Organization of American States is the longest established regional group of the modern world. It provides a valuable example of how regional peace-keeping systems stand as a substructure basic to the court of last resort represented by the United Nations. The place of the United States within the OAS puts our policy and our diplomacy to the test in acting vigorously, with intimate knowledge of complex trends and changing personalities, while maintaining the respect for independence which a system of self-governing units requires.

The United States must join in creating a viable economic and political order for the southern continent adequate to meet the sweeping social changes which are clearly needed, and for a continuously expanding economic system. The United States must be prepared to make a contribution which is large, sustained, and well-planned. Such a contribution, needless to say, can be made only on the basis of organized and effective

India and Pakistan and action involving one should be seriously weighed in the light of its effect upon the other.

## B. THE MIDDLE EAST

No part of the world has presented American policy with more baffling complexities than has the Middle East. A mere reminder of the principal threads in the tangled skein will help to explain why this should be so.

The area lies across the lines of communication between Europe and the Far East. Historically it has been the home of three of the world's great and dynamic religions. It attracted the attention of world powers and threw the area into the cauldron of outside rivalries, long before the discovery of its rich natural resources.

More recently, nationalist movements fed by dynastic and personal rivalries have insisted that the remnants of Western political and economic domination be eliminated. Finally, recent initiatives of the Soviet Union to penetrate the Middle East and to bring it under communist influence suggest a desire in Moscow to create along Russia's southern border a group of dependent states similar to the satellites of Eastern Europe. In this complex of pressures, the Western powers have been unable to work out a common approach to a new relationship with the Middle East.

Sweeping demands for social and economic improvement are the more explosive because of the extremes of wealth and poverty characteristic of much of the area. Governments themselves have, for the most part, been unable to develop a strong and efficient administrative apparatus through which to get on with the public business and win the confidence of their peoples by steady progress. Critical shortages of trained personnel exist in all fields of social and economic improvement, and educational systems are not yet geared to produce them in the numbers and skills required.

Fierce tensions were created by the establishment of the state of Israel against the bitter opposition of the peoples and governments of the surrounding area. These tensions have made it impossible thus far to find solutions for such distressing and immediate problems as the Arab refugees, the ease and freedom of sea, air and land communications in the Near East, and the reopening of rational trade channels and patterns at the eastern end of the Mediterranean. The same tensions have be-



in the world-wide struggle. The partnership in great objectives must not be subordinated to rivalry in the area of trade.

## 2. *India and Pakistan.*

At the other end of the long arc stand India and Pakistan, two nations whose fates are inextricably interwoven with each other and, taken together, engage vital American interests in the prospects for a new world order. Sharing the same sub-continent, the two are confronted on the north by powerful Communist neighbors, ideologically hostile to efforts to create two great free and independent nations at their threshold. Here, if anywhere, it must be proven that peoples can lift themselves rapidly into the modern age without submitting to the oppressions of dictatorship.

India has not sought, nor is willing, to align itself with the United States. This attitude need cause Americans little concern; the American stake is in India's continued independence and its ability to build a strong nation through constitutional means. If this goal is to be reached, India must make substantial economic and social advances under the most difficult circumstances. Large scale assistance of many kinds from outside its own borders will be needed, including both inter-governmental assistance and private investment. It takes no talent for prophecy to suggest that it would be tragically short-sighted were the United States not to be ready to assist India's own resolute efforts to effect steady progress toward a better existence for her hundreds of millions of peoples.

Pakistan, a member of the Central Treaty Organization, has been somewhat closer to the United States than has India, at least through official relationships. The partition of the sub-continent presented Pakistan with severe problems: the nation bifurcated, normal economic channels disrupted, a lack of trained administrative and professional competence. But the country has marked potential. The United States is already committed to assist in its realization. The next years will be crucial in showing whether political and economic progress can be achieved.

To the extent that the United States can influence the situation, we must be concerned with the direct relations between India and Pakistan. Until the two have placed their relations upon a normal basis and can deal with each other in full cooperation and confidence, severe limits are placed upon the effectiveness of external aid to either or to both. The inflammable issues which stemmed from the partition period have not been quenched; we support the readiness of the United States to use its good offices in whatever way may be useful or acceptable. Our own policies should accept as fundamental the necessity for good relations between

efforts within Latin America itself. If we on our side have the need for more constructive action, it needs to be said that the leaders of the South American countries have tasks of their own to face up to.

In an earlier report in this series, *Foreign Economic Policy for the Twentieth Century*, the panel urged steps toward a common market in Latin America; workable procedures for moderating extreme price fluctuations in basic commodities; ways for the cooperative promotion of general economic growth and development; establishment of an Inter-American Payments Union; and steps toward greater cooperation in social objectives in education, low-cost housing, health, and technical assistance.

These objectives, spelled out in detail in the earlier report, the panel considers basic prerequisites to the development of a full community of interests and to general well-being within the hemisphere. The organization of the Inter-American Development Bank is an important step forward, but we urge once more thoughtful consideration of the whole range of recommendations. In addition, the United States should take a sympathetic interest in regional discussions among the Central American states for common action in economic, education, health and other matters. Yet even if these objectives were all achieved, the task in this hemisphere would not be completed.

Beyond everything that statesmanship and economics can accomplish there must be an effort of the intellect and of the spirit to comprehend what is going on in the depths of this complex area, to sort out the elements that create a common denominator between so many disparate national strivings, and to build on these for the long future. Latin America is passing through a period of intense cultural activity. In the exchange of scholars, scientists, and literary figures one sees evidence of a groping for the things that shall bring the whole Latin American civilization to a new level of self-conscious unity.

The United States cannot hope to play in the life of the continent the role which its position should justify, and which incidentally its own position and well-being require, unless it can put itself in tune with the political and cultural movements. Latin America, despite some setbacks and diversions, appears to be building toward new forms of regional international organization, and its leaders want North Americans to think with them. Genuine understanding is needed. This kind of understanding is not achieved without effort or sustained without attention, but in the final analysis it may be no less important than economic support.

### C. THE UNITED NATIONS

In addition to participating directly in the development of two regional groups, the United States has participated fully and from the start in the United Nations, the international organization which today holds out the reasonable hope of being able to take over more and more functions and to assume increasingly large responsibilities. In supporting the spirit and letter of the Charter, the United States has shown that it gives more than lip service to the indispensable world order which, as we have seen, is basic to the American consensus. The UN is proof of our conviction that problems which are of world-wide impact must be dealt with through institutions global in their scope. It should stand as one of the principal vehicles through which our foreign policy is expressed.

The United Nations plays a vitally important role in the development of a functioning international system. Through its role in the emergence of new nations, it has helped to keep a world order which is dynamic yet peaceful, and hospitable to forces of change and growth. In many aspects of life nationalistic rivalries must give way before a common world need and these are now being dealt with by the specialized agencies of the UN. They include, among others, health, children's welfare, cultural activities and agricultural research. This part of the UN's work, too often unnoticed because it is non-controversial, needs to be fully developed. New areas of common interest need to be constantly defined and to be implemented at the international level.

The United States should be anxious, in particular, to make additional use of the UN in its approach to economic aid. International agencies for economic and technical assistance and training can bring dividends far more significant than the gratitude which a single contributor of economic aid may expect—but rarely gets—from the recipient country. Drawing the United Nations into economic development helps to mobilize the capacities of other countries in fields where the U. S. does not have the experience or skill to do the job alone. Participation by the Soviet Union in these activities may make a real contribution toward bridging over the chasm which separates the two ideological systems.

The UN, besides, gives to international diplomacy a field of operations which at certain junctures can be of crucial importance. The expanding role of the Secretary General puts at the disposition of the nations an international civil servant of high prestige whose disinterestedness and skill are highly beneficial to all. In the complex and continuing negotiations which must go on for years in such an area as disarmament, many

broad regional arrangements and institutions. Our judgment as to our capacity to help economically must not be warped by calculations which, while purporting to estimate what we can bear, really yield to concealed soft assumptions about the importance of carrying on as usual. In calculating the amount of our help, we should place primary emphasis upon the resolution of the particular underdeveloped country to face its own needs and commit its own resources to meet those needs, and upon its ability effectively to absorb assistance and put it to fruitful use. Our determination must be to do whatever is necessary to supplement maximum self-help and mutual aid on the part of the underdeveloped countries in question, when the objective is so transcendently in the interest of freedom.

When the people of these underdeveloped countries face the facts concerning their own need, accept their responsibilities and do their part, the evidence indicates that the amount of aid required will be of a magnitude which the United States can and should accept.

These general recommendations apply to the Asian perimeter as a whole. At any point along this great crescent the Sino-Soviet imperialists may choose, as in the past decade, to create new pressures. Our policies must be shaped to specific cases, but with the broad principles outlined above continually operative.

#### 1. *Japan.*

A special emphasis needs to be placed upon Japan. The United States looks upon Japan as a partner in securing the defense of the Pacific and in rendering important forms of assistance to a number of economically less advanced countries of Asia. Fortunately, Japan has emerged successfully from the period of the war and occupation, democratically organized, with its population increase brought under control and its trade directed into new channels. It cannot be forgotten, however, how large is the stake of the Soviets and Communist Chinese in diverting Japan from its present orientation. Chinese trade policies in Southeast Asia, directed against the efforts of Japan to find markets adequate to its vast export needs, are but one part of the intense pressures exerted by the Communists. Communist strategy sets a high priority on undermining Japan's present position and ultimately obtaining its adherence to the Communist camp.

Japan's need for exports together with its efficient, highly organized production can make it appear to United States industry as a strong and even dangerous competitor. It is sometimes forgotten to what an extent Japan also provides a major market for U. S. goods. Even more important than this, however, is the degree to which the free world counts on Japan

capacity for self-government, in economic well-being and social progress. Any such hope has disappeared. Now the difficult task confronts us of helping shape a free Asian order without China, in the vast extended semi-circle along the seas and oceans.

These setbacks must be faced up to. Yet, there is much that the United States can do in this vast area, if it devotes itself seriously to the task without being discouraged by the effort required or the difficulties encountered. The Communist Chinese are exerting their pressures throughout the region, perhaps varying the relative emphasis they place upon the military factor, but still with a full spectrum of political, economic and military means of action. We must similarly integrate and harmonize these elements in our own policy. The past tendency for American military and nonmilitary policies to be set independently and often at odds with each other can no longer be justified as being caused by the unavoidable confusion of the postwar emergency.

We are entering a period of widespread political ferment and change in which the experience in Latin America is likely to be duplicated in the more dangerous areas close to Soviet and Chinese military pressure. There is great need for facing the intricate question of how we can demonstrate a concern for the broader interests of the people without becoming identified with regimes not based on the popular will and likely to be displaced.

Our economic aid has been limited in its social and political results because it was often subordinated to military purposes. We must think our way through the obstinate problems of how to make reasonably sure that this aid serves the prime purpose of the growth of the economy, so that the underdeveloped people will not awake some years hence to discover that their growth rates are still unsatisfactory, that our various forms of assistance have been used for short-range benefits. These countries, as their true interests manifest themselves, will surely want constructive and enduring advantages from aid and other resources.

On the military side, there is a similar need to find better ways to help bring these countries to a point where they are capable of defending themselves. The policy of common defense needs a firmer political base. In the long run, it will succeed to the extent that it is built on the growing self-reliance and increasing maturity of these peoples. Hungary and Tibet have opened the eyes of peoples throughout this area; these new attitudes can create the underpinning of new policies.

In general, our concern is to help build independent self-governing states, standing on their own feet, finding their needs satisfied within

approaches, many occasions and personalities must be available. The scene must shift; bilateral and multilateral talks can be expected to succeed one another. One of the great objectives must be to keep hope alive and the possibilities of discussion open. In this involved process the UN with its international staff can make a major contribution. Its watchfulness, its experience, its increasing authority as the embodiment of expert knowledge and skills, make its services in this field hard to overestimate.

The UN stands, finally, as a symbol of the world order that will one day be built. The United States has need of symbols as well as power in its foreign policy. To measure the UN's contribution, one need only ask how much meaner and poorer, how much less touched by hope or reason, would be the world scene if it suddenly ceased to exist.

#### D. THE NATURE OF ORDER IN THE WORLD

This experience of the United States in regional groupings and in the world organization gives substance to its image of an ideal world. As Americans, we are not talking of things which we have not known at first hand. Imperfect as we recognize these beginnings to be, we see in them the possibility of a development which can immensely benefit men and nations over wide areas of the globe. On the basis of this still fragmentary knowledge, we can generalize; perhaps we can even predict.

Let us try, then, to state briefly what this panel has in mind when it speaks of the opportunity before America of helping to shape a new world order. The phrase could easily be misunderstood. It could be taken as meaning a *Pax Americana*: an imperial ambition to call nations into being, to set them against one another in a balance of power, to divide and break up any too massive concert. We do not have that in mind. Nor do we have in mind, as could conceivably be supposed, spreading American ways of doing things across the globe, hoping to duplicate elsewhere the particular kind of life which now exists within the boundaries of the United States.

This panel thinks, rather, of an order in the world which makes it possible for all nations to develop, to create conditions in which their citizens can have the fullest opportunity for self-realization and self-fulfillment, where every kind of humane aspiration can reach the light. The steady rise in living standards, with the gradual abolition of poverty in all countries, is one element of this order. So is the growth of a wide

complex of institutions which makes it possible for citizens of all countries to deal freely with one another, to move about without hindrance, to conduct their affairs with a minimum of frustration and heat.

The highest expression of such an order is a sense that all men are brothers, deeply concerned in each other's fate. Next to that is a kind of neighborliness, which makes it possible for men and women from anywhere in the world to talk with each other civilly, not unduly impressed by differences between them nor overly anxious that all should speak in the same accents.

The instrument through which this order is to be achieved can perhaps best be described as Law. International law has its part to play and its rapid development would be one unmistakably hopeful sign. If governments can agree to submit more and more of their difficulties to adjudication before the World Court this would be a mark of significant progress.

We also think of law in a much broader sense, as recognized custom, as accepted ways of dealing with one another, as the slow accretion of consent and accord. Law in this sense can arise where men come to know one another well and manage their joint affairs with instinctive confidence. It can arise in agencies of the international body or wherever officials of various nations gather to accomplish some agreed-on purpose. It will sometimes be codified and made explicit. More often it will exist in shared understandings and tacit approvals. It will usually not be enforceable in any strict, legal sense, but it will live and grow because nations recognize increasingly that the things that need to be done in the world can only be accomplished where men bear and forbear within broad limits set by their common experience.

This kind of order, we submit, is compatible with the basic American character. Tentative and experimental as its development must be, such an order offers the best hope of a world in which the potentialities of the twentieth century can be realized for the benefit of all.

In all these areas, the threat of Communist imperialism is making itself felt with varying degrees of intensity and immediacy. This fact cannot be ignored by United States policy makers. Yet the struggle against communism will surely be lost if nothing else but the threat is seen. Fortunately, the United States can keep the clear conviction that in acting according to its own best instincts and traditions it is meeting the deep necessities of the cold war. The development of free institutions, economic progress and advancing well-being will, if consistently and imaginatively furthered, prove not only desirable in themselves but the best over-all strategy for warding off the expansion of the Communist empires.

## A. THE RIM OF ASIA

The problems in the wide arc which runs from Japan in the north to India in the south were bound to be difficult in the post-colonial age. The newly-won independence of many nations within this area could not be expected to bring with it the trained groups necessary to effective political and economic organization. The growth of regionalism met inevitable barriers. The lines of transport, trade and communication still ran back to the metropolitan countries, and there was little enough—apart from anti-colonial sentiments—upon which a common interest could be established. Anticipations of a rapid rise in the material standard of life were in the nature of things often bound to be disappointed. Population growth alone can eat up gains laboriously achieved. Besides, there are inevitable setbacks and frustrations in the best-laid economic plans.

There are also setbacks on the political level. A false hope encouraged the United States after the war to suppose that economic progress would necessarily be associated with the establishment of liberal regimes. Rapid economic progress, especially where capital must be in large part self-generated, has often involved centralized planning and strong governmental intervention in all phases of the economy. In different parts of Asia, national disappointment in the speed of economic progress is postponing the development of vigorous institutions based on consent.

The difficulties of the period would have been great enough in any case. They have been bitterly intensified by the incorporation of the massive population of China within the Communist camp. A democratic China might have provided a secure base around which a free Asia could organize itself, growing in strength and independence, in the

## V—The Asian Rim, the Middle East, and Africa

The three geographical areas dealt with in this section of the report—immense in scope and in significance for the future—have in the more distant past been outside the direct range of United States commitments. The United States was from the beginning involved in Europe; its concern with Latin America was early established. But until the turn of the century, the countries of the Asian rim from Suez to Singapore, the Middle East, and Africa, were considered responsibilities of the European powers, or as engaged in rivalries in which the United States had no part. American cultural and humanitarian influences were felt in significant but limited ways. Outside of these, nothing much in the way of action seemed either feasible or desirable.

This situation was drastically changed by a number of simultaneous developments. The imperial order began to dissolve rapidly after World War II. The establishment of new nations brought into play the United States' traditional and deeply-felt interest in the growth of freedom across the globe. On top of all these was added the cold war. The United States saw rightly that if these areas were not to become subject to communism, the influence and help of the free nations would have to be effectively concerted.

The United States must be continually conscious of the complexity of the problems in these new areas of its concern and of the weight which must be given to developments which it cannot and should not seek to control. New nations have their own interests and their pride. Older nations, many of them going back in history ages before the United States was born, maintain traditions and values which adjust themselves slowly to the twentieth century world. Matters which seem simple and self-evident to the United States may well appear in a different light to these diverse peoples and nations. Throughout all this area, on two continents and amid situations characterized by the greatest variety and complexity, the United States must find ways of acting with clearness of view and competence of means, but without seeking to impose its own will or its ready-made solutions. The United Nations and its specialized agencies provide an important channel for such action.

## IV—The Communist Threat

The American objective of a global community at peace confronts the world as it actually exists, with its ideological conflicts, its propagandas, its economic inequalities and its menacing arms race. The goal as we have described it in preceding sections can be sought only by taking these into account. Coming thus from a statement of the ideal to a consideration of actual circumstances we cannot but be conscious of a descent from uncluttered space into an atmosphere full of troubles and ambiguities.

Yet that is no reason either to despair of the ultimate goal or to lack resolution for facing immediate necessities. Foreign policy, especially in such an age as ours, must be carried on with a twofold sense of time. There are things which must be done in the present—and nothing should cause the prudent statesman to defer them; there are other things which must wait. Time gained can, if we use it well, provide an opportunity for the working out of slowly maturing forces which can transform the world scene and perhaps bring mankind back from the abyss into which it now peers.

The great and immediate threat is posed, obviously, by the communist rulers of Russia and China. There are other problems in the world, to be sure. In certain areas where Soviet influence has been felt only indirectly and at the fringes, the problems have been complex and are often still unsolved. In the Middle East for a full decade after World War II, the United States and Britain, despite similar fundamental interests, were unable to effectuate any broad settlement. Nationalistic fervors, technological developments, racial and religious animosities, and economic revolutions—these, quite apart from communism, put Western policy makers to the test. So it is and has been elsewhere in the world.

Nevertheless, it is the two communist states—their strategy backed by tenacious dogma—which pose the immediate danger. Even where the direct threat of aggression is played down, they exacerbate and exploit every issue in their relentless search for advantage. It is necessary now to

look somewhat closely at the precise nature of this threat and at the means of its implementation.

### A. THE BASIC SOVIET THREAT

The geographic size, the wealth, the comparative self-sufficiency of the United States should not be allowed to conceal this country's true situation. In respect to the rest of the world, the United States is a comparatively small part of a continent set off the shores of Europe and Asia. Its security depends upon its relations to the major powers in that great land mass. In the past, the United States has instinctively felt threatened when a European conqueror seemed capable of gaining hegemony in Europe—whether it was Bonaparte in the nineteenth century or Hitler in the twentieth.

Today the basic objective of the Soviets falls within the historic pattern of European conquerors. There is no doubt but that their aim has been and remains that of bringing Europe under their control. At earlier crises in our history the fear has been that such a conqueror would turn the sea forces of Great Britain against the United States. With the coming of the missile age the nature of the menace alters; yet the isolation which would be imposed upon the United States if Soviet aims in Europe were to succeed is still something which Americans would rather not contemplate.

The approaches to the Pacific coast of the United States have also been a preoccupation of United States diplomacy, reinforced by commercial and ideological considerations. The essential interest was that neither Russia nor Japan should achieve hegemony in this area. For half a century the integrity and strength of China was a constant U. S. objective.

It was not until the twentieth century that the possibility arose of a single hostile force dominating the whole Eurasian continent, stretching from the Atlantic to the Pacific shores. This possibility was brought to the point of serious issue under the Axis powers—the German-Japanese alliance. It has emerged once more with the alliance of the Soviets with Communist China.

Thus Soviet power stands today—an aggressive military force backed by tenaciously held dogma—active on both the European and Asian scenes. Its position in regard to the United States has been radically changed from what it was before 1945. Prior to that date it was not in the forefront; it was contained and remote. Indeed being behind potentially aggressive powers—behind France in the nineteenth century and

### E. ONE COORDINATED CONFLICT

This brief and necessarily limited review of the nature and dimensions of the communist threat should not obscure what is one of the most important facts about the cold war; namely, that it is being waged by communists as *one* conflict. There are many scenes and many methods; but there are central aims and more or less coordinated methods. Military, political, economic and psychological means are employed alternately or in combination as the situation indicates. If one is played down for a season or in a particular part of the globe, that does not mean that in the total scheme it has assumed any less importance. The answering strategy of the West, and of the United States in particular, must be similarly composed of diverse elements, seen in the context of the whole and effectively harmonized.

In other reports in the series, the panels have made their recommendations in the fields of military and economic policy. Here we only reiterate that a strong atomic capability, combined with defense measures adequate to meet the whole spectrum of possible threats, is essential as a means to restrict the conflict to channels where it can be decided otherwise than by mutual suicide and universal destruction. Broad policies looking to sustained economic and technical cooperation and unimpeded exchange of goods and services are likewise indispensable elements in the protracted struggle. Combined with these are such political factors as have been discussed here, along with the whole range of actions which make it their aim to influence the outlook and psychology of the opposing side.

As a people who tend to take up one problem at a time, Americans are disposed to see a general shift for the better when a particular form of tension is relaxed. This is not a safe attitude in the present circumstances. Tenacity of purpose as well as capacity for sacrifice, sustained over a long period, will be needed to meet the present challenge. It will test all the qualities of purpose and leadership that a democracy can muster.

overriding political and strategic aim is, undoubtedly, 'to undermine American influence, to separate the United States from its friends and supporters in Asia, and to force the withdrawal of United States defensive forces.

The present relations between Soviet Russia and Red China do not lend themselves to simple analysis. It is perhaps enough to assert here that these two communist countries may not always be drawn together by common interests. In regard to China, the Soviets may find themselves being committed to greater risks than they had counted on. The problems of dealing with countries around the border of the communist world, the difficulties of keeping China supplied with needed capital goods, the new appearance China will present if armed with atomic weapons—these and other factors provide substance enough for strains in an alliance that now seems structurally and ideologically strong. But it is not reasonable to expect such developments to reveal themselves within a short-time span, or in a form that will necessarily ease the situation of the free world. Nor can effective results be anticipated from policies specifically designed to drive a wedge between Moscow and Peiping. What we can know for certain is that we shall be much preoccupied over the coming decade with the relations between the two great communist powers.

For the present we must avoid, wherever possible, courses of action which seem to drive China closer to the Soviets; and be prepared for new situations as relations between these two massive powers undergo change. We must, above all, give sympathetic and imaginative consideration to the problems and the hopes of the countries around the rim of Asia. In the next section of this report we shall look specifically at those countries of Asia (as well as of the Middle East and Africa) where it is a vital interest of the United States and of the free world that communism be forestalled from extending its domination. The secure independence of the countries around the rim of Asia, their progress in terms of human welfare and political maturity, their growing capacity to defend themselves—these the United States desires to see and, insofar as it can, to help. But such objectives cannot be thought of as related exclusively or even principally to the problems of power and military security. They must be ends pursued for their own sake.

In the long run, it is only as the free countries of Asia realize their own potentialities and fulfill their own destiny that there can be established on the continent of Asia the kind of order and balance which restrains the aggressive tendencies of Communist China.

Germany and Japan in the early twentieth—Russia was on the whole a stabilizing factor. This situation always made it conceivable that at key points its interests and those of the United States would conform. In the Second World War that situation was realized. The result was an alliance—but an alliance subject to the strains which different historical experiences and profoundly opposed ideologies made inevitable.

In the wake of World War II the position of Russia vis-a-vis the United States was drastically transformed. The European countries were then economically and politically weakened; the United States had disarmed precipitately. China was torn by civil war. The Soviet government found what appeared congenial conditions for advancing its strategic aims. It prepared to absorb into its empire those countries which its armies occupied at the close of hostilities. It planned by revolutionary subversion and propaganda to extend westward the communist ideology and power. In Asia its strategy was to base its advances upon a communized China. The net effect was to be the enforced isolation of the United States, reducing it to an island without allies and without access to vital resources.

This underlying, basic Soviet danger has not been as well understood in the United States as it should be. It has been necessary to drum up support for U. S. policy by stressing imminent threats and crises and by harping on the less attractive features of communism, including the brutalities of the regime and the persistent exploitation of its own and other peoples. The panel does not underestimate the dangers inherent in communism per se nor the degree to which its practices and ideology are abhorrent to our citizens. But even without these, the United States would still find itself hazardingly situated in regard to an aggressive imperialist Russia. Certainly the situation will not be changed by a lull in the crises which have served to keep the United States awake.

The position of the United States is in need of constant, unremitting defense; it cannot be otherwise until the threats against it have been reduced or removed. Declarations of peaceful intent are not in themselves enough. But opportunities for promising negotiation should be followed up vigorously in order to make such modest advances as are possible or to clarify the real issues.

It may be that conditions will alter and that the Soviet leadership will give proof of a new approach toward the settlement of disputes. The panel has noted with interest the statement made by Premier Khrushchev in Peiping (September 30, 1959) following his American visit:

"Therefore we, on our part, must do everything possible to preclude war as a means for settling outstanding questions. These

questions must be solved through negotiations . . . we must reason realistically and correctly understand the present situation, and this certainly does not mean that since we are so strong we should test the stability of the capitalist system by force. This would be wrong. The peoples would never understand and would never support those who took into their heads to act in this way . . . Even such a noble and progressive system as socialism cannot be imposed by force of arms against the will of the people."

If events indicate that such a statement is a basic Soviet policy there is hope for settling some of the more troublesome questions. If, however, negotiations disclose that the Soviet Union is determined to remain an aggressive and expansive force, the free world is confronted with the same somber issues with which it has been plagued since World War II.

In any case, the free world, as a basic tenet of policy, must not permit the communist states to extend their rule. The Berlin situation is a cardinal example. The manner in which the crisis was precipitated by the Soviet government and the kind of arrangements which it has proposed indicate that they are more interested in pursuing their political and strategic aims than in settling an international issue. The United States cannot accept, under the guise of compromise or the easing of tensions, measures which would abandon West Berlin to communist rule, dissolve NATO, allow West Germany to fall within the Soviet orbit, or otherwise undermine the free states of Europe.

The stakes in this area go to the heart of free world security. It is not beyond the realm of possibility that the Soviets should prove ready to negotiate seriously on safeguards for the freedom of West Berlin or to accept a united Germany which is not a Soviet pawn, and is so integrated in a true European order as to remove earlier fears of German domination of the continent. Possibilities must be kept open, but the West cannot afford to accept illusory agreements which in fact jeopardize the security of Europe. The undermining of NATO and the communization of Germany cannot be permitted. Any weakening of resolve where these matters are concerned, any confusion of purpose, could cause a rapid and fatal deterioration of the world situation.

## B. PRESENT SOVIET TACTICS

Russia today is in a period of rapid growth in its economy, of large scientific and technological gains, and perhaps of social developments

shock to United States thinking. There is no use trying to minimize the blow. The United States has been left to pick up pieces represented by Formosa and the Chinese Nationalists, saving what it can for the cause of freedom and as reminders of its once-great hopes for the Chinese people.

Toward mainland China the alternatives of policy are, for the short run, lacking in creative possibilities. The value of diplomatic recognition and admission to the United Nations can be variously debated. In any case these somewhat technical questions do not go to the heart of the problem. For at the heart is the fanatical dedication of the Communist Chinese leaders to the communist faith and methods, their apparent determination to be an enemy of the U.S., and their aggressive tendencies as shown in Korea, Tibet, India and elsewhere. These facts would remain whether China was in the United Nations or not, whether officially recognized by the United States or not.

What self-interest and enlightened policy do require of the United States at this juncture is a candid recognition of what Communist China is and where it is going. For too many Americans, the assumption has seemed to be that China's absence from the United Nations could mean its absence from their minds. It has been supposed that its real power was decisively affected by whether or not it was represented in Washington or in the debates in the United Nations. The need for complete knowledge of what is going on in China is so paramount that lesser interests or concerns should give way to insure full reporting by Americans on the spot.

China today is being moved by obscure and perhaps contradictory forces. It is difficult to determine at a particular moment whether it is giving priority to its avowedly expansionist external aims, or to its fierce pressure for internal growth and industrialization. It is difficult to account for all its moods and methods, varying from relative quiescence to the extreme bellicosity of its course since 1958. The country is in the throes of a vast and brutal revolution; shifting policies and changing emphases seem to be part of its violent inner dynamism.

What is clear is that Communist China is in a posture which, in past historical experience, has almost invariably led to aggression. It has a rapidly growing population, a shortage of vital resources, and a fanatical ideology. Around a large part of its perimeter exist "soft" situations, making infiltration, subversion and outright conquest seem easy or inviting prospects. Moreover, it looks upon the United States as its supreme enemy, the one major obstacle to its domination of the Asian continent. China's



is a duty owed not only to the living generation but to generations still unborn. The West cannot be said to have met this responsibility even half way so long as it does not maintain the NATO defense forces at a level where they can meet and contain aggressions undertaken by conventional as well as by atomic arms. The obligation to keep up the shield of NATO lies heavily on the European countries as well as on the United States. It is regrettable that the agreed minimum NATO goals have never been met. Where so much is at stake it seems inconceivable that any lack of concerted effort or common sacrifice should be permitted.

In relation to missile warfare and the deterrent power of the West, NATO is going through a transitional stage. The establishment of European bases for intermediate range missiles was, we believe, a necessary answer to the Soviet announcement that it possessed operational intercontinental missiles. The importance of these bases may diminish in the future. However that may be, a joint defense effort to prevent less than all-out attacks will remain a vital concern of the Atlantic nations. The full development of intercontinental missiles will not provide a substitute for this joint effort; on the contrary, it will reinforce the need for it.

In short, the defense of Western Europe must remain a co-operative undertaking with NATO as its backbone. The allied military establishment in Europe represents a reciprocal dependence. It exists not in the interest of the United States merely, but of a genuine common cause. With the coming of long-range missiles, it will become increasingly necessary for the West to be able to meet the threat of aggression locally and by means adapted to the nature of the attack.

#### D. COMMUNIST CHINA

The integrity and progress of China were a major objective of American foreign policy from the time of the establishment of the Open Door policy in 1899. Involvement in the Second World War was foreshadowed for the United States—quite apart from what was happening in Europe—when Japan's path of conquest was laid out across China. A consistent war aim of the United States was an independent China restored in its territorial integrity. The frustration of this long-standing aim by China's communization and resulting attitude caused quite literally a revolution in United States policy for Asia. The fact that the "China problem" has been so difficult to debate rationally is a measure of the

that will give a greater place within its system to the individual and to the wants of the consuming public. It is a great power in the world scales. It is not great, as some Americans for too long liked to suppose, because it got an atom bomb through espionage or the fruits of conquest, and built an aggressive military machine on foundations of ignorance, squalor and oppression. Under the rigors of war and the Soviet system, there has survived much that gave pre-Soviet Russia distinction in the intellectual and cultural life of Europe; and communism, though at enormous human costs, has performed prodigious feats in creating its present productive system. The tendency to misjudge Russia—both to overestimate and to underestimate it—has been so persistent that a clear realization of its character seems the beginning of political wisdom.

This progress in the internal life of Russia, combined with the kind of resistance it has met in the world outside, shapes the Soviet tactic as we face it today. It is a new tactic, more subtle and complex but no less menacing than the old. The underlying objective of domination remains, now often disguised in a doctrine of historical inevitability. But active probing and overtly aggressive moves have been supplemented by rivalry with the West in the technological and economic field. The present Russian leadership has declared it will equal, and by 1970 surpass, the United States in total output and also per capita production. It relies on the possibility of exporting on a large scale capital goods and technological skills, combined with a capacity to manipulate and absorb the surpluses of the underdeveloped areas. It sees its example appealing to peoples who must accomplish much in a short time, and its techniques more readily applicable to their needs than those of the more advanced capitalist economies. If Soviet aims were merely greater economic welfare for itself and for its neighbors, it might be cause for rejoicing. In fact, however, supported by propaganda, infiltration and subversion, aided by the implied threat of its military power, the Soviet regime gives every evidence that it hopes to expand until it has gained a clear preponderance of power in the world.

This basic strategy conforms, to what the Soviet leaders must recognize to be rebuffs to their attempts at overt seizures and aggressions. Western Europe has stood solid, with no Soviet advance beyond those areas occupied at the war's end by Soviet troops—indeed with withdrawals from such areas as Yugoslavia and eastern Austria. The people of the satellite countries of Eastern Europe have not yielded their basic character, and various degrees of freedom have even here reasserted themselves. The communization of the vast population of China, achieved

in the first postwar phase and with the support of considerable Soviet power, cannot be overlooked. Yet of the new nations created since the war none, with the exception of North Viet Nam and North Korea, has fallen to communism. Examples of brutal repression, as in Hungary and Tibet, have meanwhile unmasked communist pretensions.

In brief, communism as an exportable commodity has apparently failed; it has not advanced by persuasion but sustains and expands its power primarily through force. Within the Soviet empire itself ideological fanaticism has been yielding perceptibly to emphasis on material standards and incentives not different from those which exist in other countries and in any bureaucracy. In foreign policy the U.S.S.R. acts increasingly as a nationalistic entity—a powerful and aggressive nationalistic entity—but stripped of much of the revolutionary appeal with which it formerly expected to conquer men's minds. Communist parties in other countries may still provide allies of varying dependability. Russia's massive weight may attract allies. Its practice of infiltration, subversion and para-military activities may still be effective in overturning enfeebled or demoralized social systems. But all this is quite different from the quasi-religious ardor with which communism once expected to sweep the world.

The possibility cannot be ruled out that the Soviet leadership, if it secures a clear superiority in the arms race, will use this advantage to blackmail or to attack its major opponent without warning. That possibility must at all costs be forestalled. Under present conditions, and for as long as necessary, the strength of the Western deterrent must be maintained, with clear realization that this cannot be done easily or once and for all. To be in a position to strike the second retaliatory blow requires a far higher level of preparedness than is required for striking a first blow under conditions of surprise. Given this position, the rivalry between the two systems can be kept in a field where the people of the free world—provided they are ready to expend the vast effort required—should feel themselves capable of meeting it on its own terms.

The Soviet leaders understand calculations of power. Their record and the guiding dogma of Lenin show them notoriously lacking in scruples when it is to their advantage to disregard their signed agreements. Nevertheless, even in dealing with such adversaries agreements can be shaped that are real because they conform to their power interests, and compliance can be further assured by vigilance and effective safeguards. The Soviet leaders will not readily give up positions which a preponderance of force permits them to hold, nor will they easily refrain from taking what the weakness of others exposes to their grasp. When they talk

of settlements, they mean almost invariably settlements on their own terms. Yet they are subject to their own necessities and to pressures both internal and external. It is the continuing task of Western leaders to maintain the kind of strength which constrains Soviet ambition, and then to feel out the points at which specific accords may be ratified.

### C. THE DEFENSE IN EUROPE

The primary defense effort of the free world has been concentrated in Europe. Here, as we have seen, a community of peoples and nations already existed, capable of organizing themselves for defense of their common values. The proposal to rebuild Europe under the Marshall Plan had been made before the nature of the cold war was clear. It was a natural sequence—though a decisive and dramatic one—to bring the countries of Western Europe together in a defensive military alliance. That alliance was in answer to Soviet threats. It was also the expression of a deep unity within the Atlantic community.

The danger to NATO is that, as the direct military threat changes its form, the degree of coalescence will also diminish. Disturbing differences of opinion and clashes of interest have indeed occurred. The answer, in part, lies in keeping vivid the underlying sense of community, through discussions in NATO and at all levels of regional association. It lies also with the strategic role and importance of NATO, discussed by the Special Studies defense panel in their report, *International Security: The Military Aspect*.

The NATO concept of defense has gone through various phases, from thinking of it merely as a tripwire which would serve to engage the nuclear power of the United States, to thinking of it as being in itself capable of withstanding the onslaught of Russian power. Today, in a period when both sides are armed with nuclear power, NATO has a well-defined and indispensable role. That role is to provide a shield which will assure its ability to meet aggression from the East with forces graduated to the scale and nature of the attack. The maintenance of adequate ground troops in Europe can alone give assurance that the West will not find itself caught in the dilemma of being unable to respond to military incidents except by unleashing total nuclear war.

There is a moral problem also. It must be the constant aim of the West to do everything possible to avoid a nuclear holocaust. This

12/14/60

Mr. Tolson  
Mr. Mohr  
Mr. Parsons  
Mr. Belmont  
Mr. Callahan  
Mr. DeLoach  
Mr. Malone  
Mr. McGuire  
Mr. Rosen  
Mr. Tamm  
Mr. Trotter  
Mr. W.C. Sullivan  
Tele. Room  
Mr. Ingram  
Miss Gandy

MR. PARSONS:

The attached monograph on "Funds and Foundations," prepared October, 1959, was disseminated only to Vice President Nixon and the Attorney General. Vice President Nixon returned his copy.

In view of the information on pages 20 and 21 referring to Dean Rusk, it is suggested that we may wish to have the Attorney General return his copy to the Bureau.

A. H. Belmont

Attachment - *filed Central Research*

NOTE: I think this can be handled easily with Mrs. [ ] by asking for this and one or two others on the basis that they are being recalled because they are out of date and must be revised.

REC-19

DJP FEB 3 1961

Monograph returned  
1-17-61 to Director by  
[ ] H &  
Regina Officer

File 5-1111

Yes

b6  
b7C

51 FEB 9 1961

Tolson \_\_\_\_\_  
 Mohr \_\_\_\_\_  
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 Callahan \_\_\_\_\_  
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 W.C. Sullivan \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

## Religion Is Seventh In Foundation Grants

NEW YORK (NC)—Religion ranks seventh among the categories of activities to which U. S. philanthropic foundations allocated funds in a recent typical year, according to a new study.

The 872-page report—published here by the Russell Sage Foundation as "The Foundation Directory Edition I"—shows that education is far ahead of all other fields in receiving money from the foundations.

The report takes 1957 as a typical year for U. S. foundations. During that year the foundations distributed more than \$625,000,000.

According to the report, the money was allocated as follows: education, \$257,090,000; health, \$98,343,000; social welfare, \$90,585,000; scientific research, \$71,212,000; humanities, \$33,922,000; international affairs, \$32,705,000; religion, \$28,065,000; government, \$13,609,000.

The report states that the nation's philanthropic foundations have total assets of \$11,500,000,000.

*The Catholic Standard, Wash., D.C. Pg. 9*

The Washington Post and \_\_\_\_\_

Times Herald

The Washington Daily News \_\_\_\_\_

The Evening Star \_\_\_\_\_

New York Herald Tribune \_\_\_\_\_

New York Journal-American \_\_\_\_\_

New York Mirror \_\_\_\_\_

New York Daily News \_\_\_\_\_

New York Post \_\_\_\_\_

The New York Times \_\_\_\_\_

The Worker \_\_\_\_\_

The New Leader \_\_\_\_\_

The Wall Street Journal \_\_\_\_\_

Date 7/15/60

*File under "Funds and Foundations"*  
*— 5 —*

REC-31

NOT RECORDED

141 JUL 26 1960

69 JUL 26 1960

UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. A. H. Belmont

DATE: February 26, 1960

FROM : Mr. W. C. Sullivan

SUBJECT: **DR. STEFAN T. POSSONY**  
**PROFESSOR OF INTERNATIONAL POLITICS**  
**GEORGETOWN UNIVERSITY**  
**INFORMATION CONCERNING (CENTRAL RESEARCH MATTER)**

Tolson \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Parsons \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Malone \_\_\_\_\_  
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 Tamm \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 W. C. Sullivan \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

In a previous memorandum I pointed out that on February 23 I listened to Dr. Possony speak before a small group of men at the Press Club. There was one major point he made which I reserved for this separate memorandum. This point relates to funds and foundations.

Dr. Possony, who is a professor at Georgetown University, stated very emphatically that the funds and foundations in the United States are coming to exert more and more control over our major colleges and universities. He said it is no longer a question of influence, it is now a question of control. The two main areas in which the funds are exerting control over colleges and universities are (1) social science and (2) natural science. He said that it is almost impossible for a professor to get money for special studies and research now except from a fund or foundation. When this money is granted, the professor doing the research and writing is expected to conform to the viewpoints of the funds and foundations furnishing the money. He also said that the funds and foundations are showing more and more of an interest in having published the kind of books they want the American public to read, either directly by them or through their finances.

Dr. Possony did not think this is a good development to be taking place in American society.

RECOMMENDATION:

For the information of the Director.

- 1 - Mr. Belmont
  - 1 - Mr. DeLoach
  - 1 - Mr. M. A. Jones
  - 1 - Mr. Sullivan
  - 1 - Section tickler
- WCS:lmm:bam (6)

62-105767

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133 MAR 8 1960

18 MAR 4 1960

CENTRAL RESEARCH

ORIGINAL FILED IN 116-98126 13

AIRTEL

AIRMAIL

TO: DIRECTOR, FBI  
FROM: SAC, SEATTLE (105-New)(RUC)  
SUBJECT: CARNEGIE ENDOWMENT FOR  
INTERNATIONAL PEACE  
IS - CH

In connection with another investigation being  
conducted by the Seattle Office, [REDACTED]

b7D

[REDACTED], a regular, reliable  
established contact of this office, advised that the  
captioned Carnegie Fund is a \$100,000.00 endowment to finance  
any scholar's trip to China if that scholar can show that he  
has permission of both governments for the trip. The address  
of this organization is United Nations Plaza at 46th Street,  
New York City, New York, 10017.

The above data is being brought to the attention  
of the Bureau and the New York Office for their information  
inasmuch as it could be a source of possible subjects and/or  
informants concerning people who have placed themselves in  
close contact with the CHICOMs inside China.

3 - Bureau (REG)  
2 - New York (REG)  
1 - Seattle  
JGW:kmh  
(6)

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NOT RECORDED

150 DEC 13 1966

56 DEC 16 1966

ORIGINAL FILED IN 105-0-105767